PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 517 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2011

COMPRISING PERIOD
25 October 2010—4 November 2010

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25 October 2010

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 517**

EIGHTH VOLUME OF SESSION 2010-2011

House of Commons

Monday 25 October 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State for Culture, Olympics, Media and Sport was asked—

Community Arts Projects

1. **Ian Lavery** (Wansbeck) (Lab): What plans he has for the future funding of community arts projects. [18943]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): Future funding for particular arts projects is ultimately a matter for the Arts Council but, as part of its recent settlement, we have asked it to limit cuts to the overall budget for arts organisations to just 15%. When this is combined with an increase in income for the arts good cause from the national lottery, I am confident that community arts projects will continue to be successful.

Ian Lavery: Will the Minister tell the House what impact the cut of 29.6% to the Arts Council budget will have on the future success of the creative industries?

Mr Vaizey: Although the overall grant to the Arts Council has gone down by 29%, we have asked the Arts Council to limit the cut to arts organisations to just 15%, and when we take into account the significant increase in funds from the national lottery, the overall cut to the Arts Council will be below 12%. That is very good news, and I hope that the hon. Gentleman will congratulate the Secretary of State on such a fine settlement.

Caroline Dinenage (Gosport) (Con): Will the Minister please confirm that this Government will not repeat the mistakes of the previous Government and ensure that national lottery funding is kept to its original purpose, which includes funding the arts?

Mr Vaizey: I am pleased to reassure my hon. Friend that we will not repeat any of the mistakes of the previous Government.

Arts (Funding)

2. **Mr Jim Cunningham** (Coventry South) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on funding for the arts. [18944]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): I am pleased to say that last week I agreed with the Chancellor a package of cuts that will limit the cuts in funding for front-line arts organisations and museums to just 15%, a figure that compares very favourably with many other parts of the public sector.

Mr Cunningham: Can the Secretary of State say what discussions he has had with his colleague the Secretary of State for Education about protecting the arts at universities and the teaching of art at school?

Mr Hunt: We have had considerable discussions with the Department for Education, with which we share a belief in the importance of cultural education. However, the Secretary of State for Education has made it clear

that the best way to secure that is not by ring-fencing money going to schools, but by giving heads the discretion to use the money as they fit. By doing that, we are confident that heads will understand the extreme importance and value of arts education.

Mr John Whittingdale (Maldon) (Con): Does my right hon. Friend agree that at a time when the amount of public money available for the arts has inevitably had to be reduced, it is all the more important that we should try to increase business sponsorship and philanthropy? Does he agree that Arts and Business has an exceptionally good record in that area, and that it would therefore be rather strange to cut the amount of money going to it at this time?

Mr Hunt: I thank my hon. Friend for his well-informed question. He is absolutely right that at a time like this, boosting philanthropy and other sources of income for the arts is extremely important. Arts and Business has done some valuable work. Obviously its funding is a matter for the Arts Council, which operates at arm's length. However, I am pleased to be able to tell him that before the end of the year, we will be announcing a package of measures designed to boost philanthropy and help to strengthen the fundraising capacity of arts organisations—something that will be helpful to them in difficult times.

Gloria De Piero (Ashfield) (Lab): Does the Secretary of State recall saying in January of this year:

"I want people to say that on my watch the arts not just weathered a very, very difficult period, but also laid the foundations for a new golden age"?

Last week we saw a 30% cut in the Arts Council budget and a 15% cut to the British Film Institute. Does the Secretary of State understand that his role last week as Chancellor's little helper, rather than the champion for the arts, makes his words seem pretty hollow? How many arts organisations does he think will go to the wall as a result of the cuts?

Mr Hunt: May I start by welcoming the hon. Lady to her position? She brings with her considerable showbiz panache—something that, despite his many other talents, the Under-Secretary of State, my hon. Friend the Member for Wantage (Mr Vaizey) tried but failed to do for many years when he was doing her job.

The hon. Lady has only been doing the job a short while—[Hon. Members: "So have you."] Indeed. I will perhaps forgive her for not understanding how the figures work, because after the lottery changes introduced by this Government—changes that the Labour party opposed every step of the way—the actual cut in the arts budget is less than 12%. Perhaps this is a moment for the Opposition to review that policy; otherwise there will be two parties in British politics that want to throw a lifeline to the arts and one party that wants to take it away.

Mr Don Foster (Bath) (LD): We have already heard that changes to the national lottery have meant more money for the arts, but does the Secretary of State agree that we could go even further, were we to change the taxation regime for the national lottery to a gross profits tax regime? That would bring in yet more money for the arts. Will he tell the House what progress is being made in that direction?

Mr Hunt: I am very happy to do so. I agree with my hon. Friend that there is a big opportunity if we change the taxation regime for the national lottery. When we were in opposition, Camelot gave us undertakings that it was prepared to indemnify the Government against any reduction in Treasury revenues, were such a change to be made. If it were still prepared to do that, I am sure that we could make fast progress.

Tourism and Hospitality Sector

3. **Ian Mearns** (Gateshead) (Lab): What discussions he has had with representatives of the tourism and hospitality sector on the effect on that sector of reductions in his Department's budget. [18945]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): As I am sure the hon. Gentleman would expect, I have regular and extensive discussions with representatives from right the way across the tourism industry in all parts of the country, and I hope to continue to do so.

Ian Mearns: Will the Minister outline what plans the Department has to facilitate growth in tourism and hospitality in the north-east of England? Tourism North East and its successful and popular marketing programme, "Passionate people, passionate places", have until recently been under the umbrella of the regional development agency, One NorthEast, which is soon to be abolished. Given that Tourism North East's advisory board's proposed alternative marketing strategy has been rejected by the Government, what does he envisage will fill the vacuum in order to support the highly important tourism industry in the north-east of England?

John Penrose: I understand the hon. Gentleman's concerns, and we have already made representations within Government on the importance of continuing tourism marketing spend, to ensure that local tourism boards of all kinds have continuity of funding. I hope that he will also be pleased to know that I have tasked VisitEngland to ensure that, for any programmes that are halfway through, as much continuity as possible is maintained.

Miss Anne McIntosh (Thirsk and Malton) (Con): The Minister will understand that the tourism and hospitality sector in North Yorkshire benefits greatly from having so many race courses there. Will he ensure that the owners, trainers, jockeys and everyone else involved, including stable boys and girls, benefit from any changes to the levy to ensure that tourism and hospitality continue to flourish at race courses?

John Penrose: My hon. Friend is absolutely right to say that racing is an important part of our tourism industry. Race meetings all round the country bring in many people from the domestic tourism market, but they are rightly internationally famed for bringing in foreign visitors too. She is right to point out that any changes to the levy will need to ensure that the existing important symbiotic relationship between racing and

bookmaking is maintained, and that a fair solution is achieved for all. I am sure that we will endeavour to achieve just that.

Tristram Hunt (Stoke-on-Trent Central) (Lab): This Government have little feel for the history and heritage of this country, although they are among the drivers of the tourism sector. Will the Minister explain why the Government are seeking to protect the overpaid panjandrums of the Olympic Development Agency while cutting English Heritage by 30%?

John Penrose: I think that that last comment was extraordinarily rich, coming from a member of a party that, within living memory, was going on about cool Britannia and that completely failed to fund heritage in the way that it should have been funded over the past 10 or 15 years. I am sure that the hon. Gentleman will know that the entire heritage sector feels that it has been undervalued and underfunded for a very long time, in stark contrast to what is now happening under the new Government. As my right hon. Friend the Secretary of State has pointed out, if we take into account the changes in the lottery, we can see that the total cut to heritage funding is minus 4%, and that is all.

Listed Places of Worship Grant Scheme

4. **Mr Philip Hollobone** (Kettering) (Con): If he will discuss with the Chancellor of the Exchequer the merits of extending the listed places of worship grant scheme beyond 2011. [18946]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): I am sure that my hon. Friend will remember that the Chancellor of the Exchequer announced in his comprehensive spending review statement last week that the listed places of worship grant scheme is to continue. I am delighted, as I am sure all hon. Members are, that that is the case. We have had to make some small reductions, and it will now go back to its pre-2006 status, but other than that, it will continue. I hope that my hon. Friend and others will join me in praising that decision.

Mr Hollobone: I congratulate my hon. Friend the Minister on doing his bit to save the scheme, which many of my constituents were worried was going to be cut altogether. Will he expand on what "pre-2006" actually means for those churches applying for funds?

John Penrose: I would be delighted to. Basically, it means that local community groups raising money to repair the fabric of their church will continue effectively to be able to claim grants equivalent to the value of the VAT on the works that are done. The only difference will be that some categories of work—primarily, professional fees, bells, organs and the like—will be excluded in the way they were before 2006, but everything else will continue to be claimable.

Mr Frank Field (Birkenhead) (Lab): May I thank the Minister for safeguarding this scheme, but does he regard his success on this front as the only success his Department has had in its negotiations with the Chancellor of the Exchequer?

John Penrose: No, I do not. If the right hon. Gentleman looks at the Department's overall settlement, he will see that we did pretty well compared with many. As mentioned twice already, the increase in funding from the lottery will help to allay the effects of some cuts, so this means that, overall, we hope to have managed to focus the cuts away from the front line and protect as much as possible the nation's culture and heritage.

Broadband

5. **Andrew Bridgen** (North West Leicestershire) (Con): What recent progress has been made on the roll out of broadband to rural areas. [18947]

10. **Harriett Baldwin** (West Worcestershire) (Con): What plans he has to roll out next generation broadband to rural areas. [18952]

11. **Graham Evans** (Weaver Vale) (Con): What progress he has made on his plans to roll out next generation broadband. [18953]

13. **Anne Marie Morris** (Newton Abbot) (Con): What steps he is taking to ensure that all areas have access to high-speed broadband. [18955]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): We are making excellent progress in broadband roll-out. Last week, the Chancellor announced four superfast broadband pilots in rural locations in the Highlands and Islands, Cumbria, Yorkshire and Herefordshire. There will be further announcements before the end of the year on how we will roll this out to the whole country.

Andrew Bridgen: I thank the Secretary of State for that answer. In view of the potential cuts to rural bus services on top of the disastrous cuts in rural post offices under the last Labour Government, does he agree that the roll-out of broadband to our rural communities is absolutely vital in the fight to prevent rural isolation?

Mr Hunt: My hon. Friend makes an excellent point. Superfast broadband in rural areas offers huge opportunities for things such as telemedicine, home education and working from home. The National Endowment for Science, Technology and the Arts estimates that when this is done, it will have created about 600,000 jobs. The difference between Government and Opposition Members is that when Labour were in government they had secured £200 million for broadband roll-out, whereas we have secured £830 million. I think the public know who is doing better.

Harriett Baldwin: The villages of Ripple, Shrawley and Aston Somerville have all been in touch with me recently about the problem of very slow broadband speeds. Is there anything I can say to my constituents now about what can be done to speed things up?

Mr Hunt: What my hon. Friend can say is that this Government have committed to this country having the best superfast broadband network in Europe. Labour Members promised 2 megabit access for the whole country, so they wanted us to be in the economic slow lane, whereas we want to be in the superfast lane.

Graham Evans: When does my right hon. Friend expect the results from the rural broadband pilots to be gathered?

Mr Hunt: I hope the rural broadband pilots will start in the middle of next year and that, by the end of that year, we will be in a position to see how successful they have been. The broader issue with these pilots is that we have managed to secure nearly £1 billion of investment for this project—a lot more than the Opposition ever did—but it is going to take a lot more money than that, so we need to use this money to catalyse private sector investment. The point of the pilots is to understand the best way to achieve that, so that we can roll it out to the whole country at minimum cost to the taxpayer.

Anne Marie Morris: I am sure the Secretary of State will be as delighted as I am to learn that Broadhempston primary school in my constituency has recently gained access to high-speed broadband. However, he will also be acutely aware that there are many other household businesses and schools across Devon that remain effectively broadband blackspots. It is important to act urgently to ensure no part of Devon is still struggling to get broadband as other parts of the UK move into the super-broadband age. I am particularly concerned because I believe we are not part of the pilot and I do not wish to wait two years for progress. Will the Secretary of State agree to meet me in order to discuss this important matter further? What assurances can he give me that parts of Devon will have access sooner rather than later?

Mr Hunt: The assurance that I can give to my hon. Friend is that, having inherited a situation in which 250,000 homes have no access to broadband, we have developed a credible and affordable plan to deal with it; and that pledge applies to her constituency just as much as it applies to every other constituency in the country.

Mr Denis MacShane (Rotherham) (Lab): I welcome the expansion of broadband—although before too long there will be 250,000 people without homes, let alone in homes with access to broadband—but might the Secretary of State consider whether broadband is not slightly yesterday's technology? There are now cities around the world that are wholly wi-fi, so that people are not dependent on bits of lead and copper. Will the Secretary of State consider an experiment, perhaps in Rotherham? Could it be turned into a wholly wi-fi town?

Mr Hunt: The broadband pilots that we have announced are not technology-specific. If the right hon. Gentleman had asked me what I thought the likely solution would be, I should have said that there was likely to be a mix of fibre, wi-fi and mobile technologies that deliver universal connection. However, we want to wait for the pilots to establish the most cost-effective way of achieving that.

Mr Dennis Skinner (Bolsover) (Lab): When will this super-duper roll-out reach the 25 ex-pit villages in Bolsover? People keep asking me when that will happen. The Secretary of State has painted a wonderful picture, but will it be this year, next year, some time or never?

Mr Hunt: I have good news for the hon. Gentleman to take back to the villages of Bolsover. Our commitment is that we will achieve that during the present Parliament. We will have the best superfast broadband network in Europe. The difference between the Government and the Opposition is that under us there will be no phone tax, no increase in the licence fee, and nearly £1 billion of investment. Who says that you cannot do more for less?

Ian Lucas (Wrexham) (Lab): Why was Wales excluded from the superfast broadband pilots?

Mr Hunt: Wales has not been excluded. Herefordshire is on the border of Wales, and I very much hope that some of the benefits of the pilot there will spread over that border.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The last Government committed themselves to 2 megabit broadband for everyone by the end of 2012. You have committed yourself to vague promises to improve the broadband network. Can you say precisely when everyone in the country will have 2 megabit broadband?

Mr Speaker: Order. I have committed myself to nothing on this matter and I can say nothing on this matter, but I hope that the Secretary of State can.

Mr Hunt: We have not said that we will not honour that commitment. We have delayed it from 2012 to 2015, for the simple reason that, as the hon. Lady will understand, there was not enough money in the pot.

S4C (Funding)

6. **Jessica Morden** (Newport East) (Lab): What plans he has for the future funding of S4C; and if he will make a statement. [18948]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): The comprehensive spending review secured funding for S4C that will last throughout the next four years. We think that, in partnership with the BBC, we have a settlement that will be sustainable and also reduce the serious problems that S4C was facing in terms of its loss of audience share.

Jessica Morden: What hope is there for the Government's respect agenda with the devolved Administrations if the Secretary of State did not even have the courtesy to consult Welsh viewers, the Welsh Assembly Government or even S4C itself over the handing of its funding to the BBC?

Mr Hunt: We faced severe challenges in regard to public spending. We managed to secure that public spending for the next four years, and at the same time we addressed something that the hon. Lady's party did not address at all: the fact that over the past five years the weekly reach of S4C had halved. I think that what we have done is an achievement of which we can be proud.

Hywel Williams (Arfon) (PC): The private sector of television production is very important as a generator of wealth and jobs in my constituency. What assessment has the Secretary of State made of the effects of his cuts on that vital sector—a sector that, if I may say so, only the stupidest of Governments would attack in the middle of a recession?

Mr Hunt: During my discussions on the future of S4C, I was very aware of the importance of the Welsh independent production sector. That is why I have made it an explicit part of our agreement with the BBC that it will continue to outsource 100% of S4C's production to the sector. It is also why funding for S4C has been secured for the next four years—funding on which the Welsh production sector depends.

Football Governance

7. **Bob Russell** (Colchester) (LD): When he last met the Football Association to discuss proposed reforms of football governance. [18949]

The Minister for Sport and the Olympics (Hugh Robertson): Before answering, may I pay tribute to Andy Holmes, the double Olympic rowing gold medallist who, sadly, has passed away at the age of just 51?

For reasons the hon. Gentleman will understand, my Department's current priority is winning the 2018 football World cup bid. However, I will continue my discussions with the football authorities—and, indeed, Members on both sides of the House—in order to deliver on the coalition Government's commitment.

Bob Russell: The Minister has no doubt discovered by now that those at the top of football are as impotent as a room of eunuchs, that financially they have regimes that would make bankers blush, and that, with greedy footballers and parasitic agents, the game is being ruined. With that in mind, is it not time that the current Government—the last Government failed to do this—held a royal commission or some other inquiry, because the game is incapable of regulating itself?

Hugh Robertson: As was clear in the debate in Westminster Hall a month or so ago, there is widespread cross-House agreement that the position we are in at present is not satisfactory. People know where we want to get to eventually, but the problem is that, because of the disparate nature of football club ownership, there is no one silver bullet that will deliver that. I have said that I will consult widely over the next six months. I will continue to do so, and during that consultation I will, of course, bear the hon. Gentleman's suggestion in mind.

Tony Lloyd (Manchester Central) (Lab): The Minister has always struck quite a helpful tone on the governance of football issue, but does he accept that resolving the recent situation at Liverpool football club, for example, owed nothing at all to the stewardship of either the premiership or the Football Association, and that, frankly, the regulatory bodies are now beyond redemption? By all means the Minister can consult, but will he make sure that he brings the regulatory bodies to order so that there is proper regulation that serves the interests of the supporters?

Hugh Robertson: Yes, I can give the hon. Gentleman that commitment. As I think he knows, this process started some while before May—indeed, Ministers in the former Government were crucial in that. There is a clear cross-House will for this situation to be sorted out. As I have said, we all accept that the current situation is not satisfactory, and we know sort of where we want to get to, but there is no one single answer that gets us there. I promise the hon. Gentleman that I take this issue seriously and that I will do what I can.

Mr Lee Scott (Ilford North) (Con): As part of any consultation, will the Minister look very seriously at foreign investment particularly in our lower league clubs? That is leaving many clubs in situations such as Portsmouth found itself in last week, as the directors and owners are not fit to run a football club and are just asset-stripping them.

Hugh Robertson: I absolutely take that point, although I remember that we looked into this issue when in opposition and it was clear both that there were as many examples of good as of bad overseas ownership, and that for a long time some of the worst excesses were committed by English owners. This is not necessarily a nationality problem, therefore, although my hon. Friend makes a good point.

Commonwealth Games 2014

8. **Mr Ian Davidson** (Glasgow South West) (Lab/Co-op): What steps he is taking to ensure the successful staging of the Glasgow 2014 Commonwealth games. [18950]

The Minister for Sport and the Olympics (Hugh Robertson): Responsibility for staging Glasgow 2014 rests with the organising committee and its key partners including the Scottish Government, Glasgow city council and Commonwealth Games Scotland. I have already met my Scottish counterpart on two occasions, visited Scotland House during my trip to Delhi—the hon. Gentleman will be pleased to know that—and had initial meetings with the Glasgow 2014 team.

Mr Davidson: I rise with some trepidation as Glasgow is nowhere near Herefordshire. Notwithstanding that, however, will the Government be a bit clearer about the help they intend to provide over the coming years, in particular to Glasgow city council and the organising committee?

Hugh Robertson: I can promise the hon. Gentleman that, given my name, I am very well aware that Herefordshire is nowhere near Scotland. I can also promise him that the Government have delivered on all the commitments they gave Glasgow 2014 as part of the bidding process and that we are examining ways in which we might help it further as the process moves forward.

Pete Wishart (Perth and North Perthshire) (SNP): The Minister will, of course, know that the BBC has pulled out of being the official broadcaster of the Glasgow games, which has the potential to cost the games millions of pounds in terms of the broadcasting infrastructure. Will he join me in making a case to the BBC about reconsidering that? When he does so, will he remind the BBC that it has obligations to the whole UK?

Hugh Robertson: I will certainly do that. I just say to the hon. Gentleman that, as the right hon. Member for Dulwich and West Norwood (Tessa Jowell) will recall, a similar row occurred when the BBC did not secure the Paralympics rights for 2012 but, as things have worked out, I think that most people agree that the fact that those games will now be on a different broadcaster is to everybody's benefit. This was not one of the issues raised with me in any of my meetings about the Commonwealth games in Delhi, but he has my word that if it becomes one, I will certainly take it up.

Olympics Legacy

9. **Mrs Linda Riordan** (Halifax) (Lab/Co-op): What assessment he has made of the legacy for Halifax of the London 2012 Olympics. [18951]

The Minister for Sport and the Olympics (Hugh Robertson): Halifax and Yorkshire stand to gain from a wide range of opportunities created by the games, through businesses winning games-related work, increased tourism and cultural events. I am glad to tell the hon. Lady that the Olympic Delivery Authority has already awarded contracts to 39 suppliers in Yorkshire and Humberside.

Mrs Riordan: Given that these Olympics are London-focused and that the capital missed out on the worst of the cuts announced last week, how will the Minister ensure that towns such as Halifax do benefit from the Olympic legacy in terms of much-needed grass-roots sports facilities?

Hugh Robertson: I am delighted to tell the hon. Lady that the best possible news is that I have been to Halifax to deliver that message. On 20 July, I was able to visit the Ling Bob school in her constituency, where I attended a morning session connected with the Chance to Shine scheme. I saw the entire school playing cricket in the playground, and the school had clearly used this to shape its curriculum for the day. That is just one example of many that are brought about by the 2012 games.

Tessa Jowell (Dulwich and West Norwood) (Lab): The concern about the sporting legacy is shared not just in Halifax but, as I am sure the Minister is aware, right around the country, in view of last week's announcement that the funding for the Youth Sport Trust and school sports partnerships would be ended. Today, we have seen statements from 442 head teachers, coaches and physical education teachers expressing their concern that this puts the legacy for the London 2012 games and the aspirations of young people at risk. This has taken 10 years to achieve for young people in state schools. What assurance can he give that those children will continue to enjoy sport in the way that they have been led to believe is their entitlement as part of the Olympic legacy?

Hugh Robertson: The answer is in two halves. We have been able to do many things that have secured the sports legacy for the London 2012 games: a generation of new facilities is appearing in and around the Olympic park and our other venues; there will be a considerably increased profile as a result of the games; my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport has already announced our plans for a schools Olympics; we are bringing forward plans for community sport; and we were able, as part of last Wednesday's settlement, to produce a new major events sports strategy, which will produce a tapestry of events post-2012.

The right hon. Lady's point about the Youth Sport Trust is an interesting one. It is fair to say that it has performed extremely well in some places, but if she was honest about it, she would say that its performance has been less good in others. The fact remains that after 10 years and probably comfortably more than £1 billion of investment only one in five schoolchildren in this country is playing competitive sport—that is not a terribly good result.

UK Sport/Sport England

14. **Mr Michael McCann** (East Kilbride, Strathaven and Lesmahagow) (Lab): What discussions he has had with the Minister for the Cabinet Office on proposals to merge UK Sport and Sport England. [18956]

The Minister for Sport and the Olympics (Hugh Robertson): My right hon. Friend the Secretary of State met Francis Maude on 8 July to discuss the public bodies Bill—

Mr Speaker: Order. I am sure that the Minister is referring to the right hon. Member for Horsham (Mr Maude); alternatively, he should refer to him as a Minister.

Hugh Robertson: My apologies, Mr Speaker. They discussed bringing together UK Sport and Sport England, and that was also discussed at an inter-ministerial meeting on 13 September. I also met my devolved counterparts to discuss the issue when I was in Delhi and I have, of course, discussed it with many others in sport and inside the two bodies.

Mr McCann: Recent correspondence from the Scottish Executive somewhat complacently suggests that they are merely aware of the proposed merger. Given UK Sport's responsibilities for the world-class performance programme across the United Kingdom, how will the Minister ensure that there is a fair distribution of financial support for our elite athletes?

Hugh Robertson: That was one of the issues that we discussed in Delhi. I am sure that it will not have escaped the hon. Gentleman's notice that part of the comprehensive spending review announced on Wednesday was framed by a decision to increase the amount of money going in to sport. We were able to announce not only that we would stick to the original spending limits envisaged for London 2012 and would honour those commitments in full, but that UK Sport would have the same level of funding, or slightly better, for the start of the Rio cycle than it is enjoying this year.

Ian Austin (Dudley North) (Lab): In addition to the merger, the Government are cutting the funding that the two organisations receive as well as cutting £160 million from school sports and axing funding for sports colleges. Before the election, the hon. Gentleman praised Labour's support for sport and pledged that it would not be undermined by the Conservatives. Will he tell us what impact those decisions will have on his predecessor's ambition to get 2 million people taking part in sport?

Hugh Robertson: I welcome the hon. Gentleman to his place and I hope that he enjoys the position as much as I did—and, if I might say so, spends as much time doing it as I did. I understand his point, but he must admit that the amount of debt interest this country pays out every single day is the same as the entire community sport budget each year, so it is a considerable job to tackle it. By increasing the lottery shares to UK

Sport and Sport England, not only have we been able to shield in full UK Sport from the effects of this, preserving elite athlete funding through to 2012, but by the end of the four-year cycle of lottery funding Sport England will have more money going through its front door than it did at the beginning. That is, I believe, a considerable achievement.

Topical Questions

T1. [18963] **Diana R. Johnson** (Kingston upon Hull North) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): During the summer, despite the pressures of the comprehensive spending review, we made good progress in our priority areas of tourism, philanthropy, broadband roll-out, local television and the schools Olympics. We will have announcements on all those areas before Christmas.

Diana R. Johnson: Many of my constituents have contacted me, concerned about the local independent BBC news that runs in East Yorkshire and Hull through Radio Humberside and programmes such as "Look North". There is great concern that, because of the cuts to the BBC budget, areas such as East Yorkshire will lose that local independent news. What guarantee can the Minister give me that we will continue to have that?

Mr Hunt: There is no bigger supporter of local news than me. I made it one of the most important parts of our media policy, but if we are to have a thriving local media sector, people in the sector need an assurance that the BBC will not undertake more local activity than it does; otherwise, they simply will not take the risk of setting up newspapers, radio and television stations, and so on. We have come to a very good solution in this licence fee settlement, which is that the BBC has made a commitment that it will go no more local than it does currently. It is confident that it will be able to continue with its current obligations for the period of the settlement.

T7. [18969] **Mr Philip Hollobone** (Kettering) (Con): Is it not quite wrong that somebody can be sent to jail for not paying their BBC television licence fee? Will the Secretary of State liaise with the Ministry of Justice to ensure that the BBC, like every other utility, pursues its civil debts through the civil courts rather than using the force of criminal sanction?

Mr Hunt: The licence fee is a curious system, but it has delivered outstanding results for British broadcasting. Most British people, when they go abroad, find that one of the things they miss is the BBC. One reason the BBC has been successful is that it has had sustained income through this rather curious system. That is why we have said that we are on the side of the public on this. We have given the BBC a tough settlement—freezing the licence fee for six years—under which we will continue with the structure of the licence fee as it is.

Mr Ivan Lewis (Bury South) (Lab): We will work with the Government on issues where we agree, such as the Olympic games and England's World cup bid. The Secretary of State will agree that the BBC is one of this country's great institutions and its future a matter of public interest. Of course, the BBC cannot be exempt from cuts at this difficult time, but may I ask the right hon. Gentleman how he can justify a negotiating process that rode roughshod over the independence of the BBC, crushed any serious prospect of reform and involved no consultation with licence fee payers or parliamentarians? Will he confirm that at one point in the negotiations the BBC Trust board considered mass resignation and that he now faces a judicial review sought by S4C? Is that not another example of the Secretary of State doing a dodgy deal for the Chancellor to further his own political ambitions, instead of providing responsible leadership on an issue of crucial importance to the future of this country?

Mr Hunt: May I start by welcoming the hon. Gentleman to his post? I am delighted to talk to him about the BBC because the new licence fee settlement was announced last Wednesday and the silence of the Opposition's response has been absolutely deafening. They have not been able to work out what to do because we have agreed a settlement that is acceptable to the BBC and is very popular with the public. Let me tell him the difference between what happened when his party negotiated the licence fee and when we did it. With his party, it took two years, it cost £3 million and we ended up with an above-inflation rise. With us, it took two weeks, it cost nothing and we got a freeze for six years.

Simon Hughes (Bermondsey and Old Southwark) (LD): Given Ministers' helpful answers about the funding of regularly funded organisations in the arts, will the Secretary of State give an assurance that those organisations will be encouraged to do developmental and outreach work in such a way that all corners of the country are reached and that younger and smaller organisations are supported?

Mr Hunt: I thank my hon. Friend for his question. He is absolutely right: we have given regularly funded organisations, with the agreement of the Arts Council, a settlement that is nothing like as bad as those in other parts of the public sector. I am very keen that on that basis—I have made this point to everyone I have spoken to about it—they should not cut outreach and education work, of which there are some outstanding examples in his constituency. On the basis of the conversations I have had, I am very reassured that those obligations will continue to be fulfilled.

T2. [18964] **Jessica Morden** (Newport East) (Lab): I am sure that the Secretary of State will join me in congratulating all those involved in Newport's successful staging of the Ryder cup last month, but does he understand that it is hard for the Government to talk about the long-term economic legacy of major sporting events such as the Ryder cup given that two days after that event they announced 300 job losses at the local passport office?

Mr Hunt: I went to the Ryder cup and I thought it was a fantastic example of how major sports events can make an incredible contribution to our wealth. Every year, 3.5 million people come to this country to watch or play in sports events, so they are big wealth generators. However, if we are to continue to support such events, we have to put the public finances on a sustainable footing, and that means using public funds much more efficiently than the hon. Lady's party did in its 13 years in power.

Nigel Adams (Selby and Ainsty) (Con): Is the Secretary of State aware that Yorkshire's tourism board, Welcome to Yorkshire, is the only tourism agency in Britain to be shortlisted for an award in the world travel awards? Will he join me and all other hon. Members in the House from God's own county in wishing Welcome to Yorkshire the very best in its endeavours?

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): I should be delighted to do so. I spoke to the chief executive of Welcome to Yorkshire, Gary Verity, last week, and he told me about its excellent progress. It is worth pointing out that the board is up against tourist boards that represent entire countries, rather than single counties, in having got this far. I am sure that everyone here is delighted by its progress thus far and of course we wish it luck in the final.

T3. [18965] **Karl Turner** (Kingston upon Hull East) (Lab): Before the election, the Minister for Sport was keen to applaud Labour's record on sport and pledged not to undermine it. With the massive cuts to funding for school sport, to local authorities and to Sport England, does he now feel that his Government are undermining the excellent progress that was made under the Labour Government?

The Minister for Sport and the Olympics (Hugh Robertson): Absolutely not, because, as the hon. Gentleman will see if he examines the figures, in every year for the next four, the amount of money going to UK Sport and Sport England, with the exception of that to Sport England next year, is greater than it was under the Labour Government—so, no.

Amber Rudd (Hastings and Rye) (Con): Many Members on both sides of the House have been kind enough to share their sympathy with me and my constituents about the devastating fire that afflicted Hastings and its pier recently. However, the reports of its death are exaggerated: the sub-structure is intact, the Hastings Pier and White Rock Trust is launching an appeal and we hope to rebuild on top of it. Will the Minister meet a group of us so that we can tell him more about it and learn from his experience?

John Penrose: I should be delighted to do so. I confess to some personal experience, in that two years ago Weston-super-Mare pier in my constituency went up in flames, and I am delighted to tell everyone that on Saturday just gone I had the honour of opening it. It was like the first day of the sales, as everybody dashed up to be first through the door. I should be delighted to meet representatives from Hastings and I hope only that they will have a similar renaissance of their pier.

T4. [18966] **Helen Jones** (Warrington North) (Lab): Will the Minister explain why the Government have decided to underwrite the 2015 rugby union world cup, but will not give the same guarantees to the 2013 rugby league world cup? To paraphrase a famous comedian, "Is it because we is northern"?

Hugh Robertson: Tempting though it is, the answer is absolutely not. If the hon. Lady gets hold of a copy of the letter I wrote to the chief executive of the Rugby Football League when I took over, she will see that I said I was absolutely determined to ensure that precisely the same treatment was applied to both codes of rugby—for obvious reasons. The slight problem was that the RFL did not ask the then Government—of course, the hon. Lady's Government—as the Rugby Football Union did when mounting the bid. My intention is to treat both similarly.

Duncan Hames (Chippenham) (LD): Before taking office, my right hon. Friend was keen to promote the subtitling of parliamentary coverage. He may be aware that the service often ends by 6 o'clock in the evening, long before our debates here conclude. Will he urge broadcasters to ensure that all our proceedings are accessible to the 1 million users of subtitles who are either deaf or hard of hearing?

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): We are obviously keen to make parliamentary proceedings accessible to everybody, particularly late-night Adjournment debates, which I take. We now have an e-accessibility forum that is progressing that agenda, and we have also increased the amount of subtitling by broadcasters on a voluntary basis.

T5. [18967] **Liz Kendall** (Leicester West) (Lab): Last year, more than 2,500 athletes with learning disabilities took part in the Special Olympics in Leicester. Will the Minister agree to meet those involved, to learn lessons from the event and make sure that people with learning disabilities can play a full part in sports and athletics in this country?

Hugh Robertson: Absolutely. I visited the event in Leicester last year, and, as the hon. Lady will be aware, the Special Olympics GB team has already been to No. 10 Downing street to meet the Prime Minister before going off to the games in Warsaw. I am absolutely behind the team and would be delighted to meet them. If the hon. Lady would just give me a month while we get the 2018 bid out of the way, I should be absolutely delighted to do anything I can to help.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): I welcome my right hon. Friend's earlier comments on broadband. When will the BBC contribution from the licence fee come on stream? Will it form part of the £830 million commitment? Is it designated for a specific project or just part of the general fund?

Mr Hunt: I am happy to answer that question. As part of the licence fee negotiation that we concluded, the BBC has committed to put £150 million into broadband roll-out for every year of the new BBC licence fee settlement. That is how we shall get the nearly £1 billion of secured investment for the broadband roll-out, and I hope it will benefit my hon. Friend's and everyone else's constituency.

T8. [18970] **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): How do Ministers intend to ensure that blind and partially sighted people, for whom radio is a vital lifeline, will not be disadvantaged if commercial pressures mount to switch from analogue to digital radio?

Mr Vaizey: As I mentioned in an earlier answer, we now have an e-accessibility forum that is taking forward

many of those issues. One of the vital functions of the forum is to make sure that manufacturers take on board the issues and ensure that partially sighted people and people with other difficulties have full access to programmes through technology.

LEADER OF THE HOUSE

The Leader of the House was asked—

Business Committee

1. **Mr Philip Hollobone** (Kettering) (Con): What progress has been made on the establishment of a House business committee. [18986]

4. **Graham Evans** (Weaver Vale) (Con): What progress has been made on the establishment of a House business Committee. [18989]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): The Government are committed to establishing a House business committee. The Backbench Business Committee, of which the hon. Member for Kettering (Mr Hollobone) is a member, has got off to a good start, and we shall seek its views on how the House business Committee might operate.

Mr Hollobone: Is it the intention of the Deputy Leader of the House that once the House business Committee is established it will subsume the Backbench Committee, or will the two Committees carry on in parallel?

Mr Heath: I am grateful to the hon. Gentleman for that question. It is a fairly complex matter. If he re-reads the Wright Committee report, he will see that there is a degree of ambiguity about the precise interrelationship. I think the assumption is that the two Committees should sit alongside one another, with some common membership, but it is an area we need to discuss in detail with him and his hon. Friends on the Backbench Business Committee, and more widely in the House, so that we establish a system that will work for the whole House and make sure that both Back-Bench business and the interests of the House as a whole are protected.

Graham Evans: Does my hon. Friend agree that the creation of the Backbench Business Committee was a necessary step to restore the value of Back-Bench business, which was badly neglected under the previous Government?

Mr Heath: My hon. Friend will not be surprised to know that I entirely agree with him on that point. The Backbench Business Committee has made a good start in ensuring that important matters are brought before the House in a timely way. My greatest regret is the fact that the previous Government took so long to accede to the very reasonable request from the Wright Committee and many Members on both sides of the House to make that happen.

Chris Bryant (Rhondda) (Lab): I warmly congratulate the Government on introducing the Backbench Business Committee, but can the Deputy Leader of the House guarantee that in future—as there always was in the past—there will be a European affairs debate before a European Council meeting and a full statement from the Prime Minister afterwards? This week, a European Council meeting will decide things such as our relationship with Russia and whether there should be Europe-wide regulation of the financial services industry, but the House will have not a single debate on it.

Mr Heath: I can only say to the hon. Gentleman that the arrangement of statements is, of course, a matter for the Government. Other debates, as the Wright Committee clearly sets out, are a matter for the Backbench Business Committee. I am sure that his comments were heard by the Committee.

Helen Jones (Warrington North) (Lab): One of the most important reasons for setting up a House business Committee is to protect the rights of Members. Such a committee will not be set up in time to deal with the fiasco of the Parliamentary Voting System and Constituencies Bill, but will the Deputy Leader of the House assure us that he will protect the rights of Members of this House by ensuring that the statutory instruments relating to the Bill are debated before Report, and that he will place a record of the Government's discussions with the devolved Assemblies in the Library? Is it not right that matters concerning elections to this House should be debated first here and not in the unelected House?

Mr Heath: I welcome the hon. Lady to her new position as shadow Deputy Leader of the House. I certainly do not recognise the word "fiasco" in any connection with that Bill, which will be in Committee later today.

Hilary Benn (Leeds Central) (Lab): Well I do!

Mr Heath: The right hon. Gentleman says from a sedentary position that he does recognise the word "fiasco", but the only fiasco I have come across in the course of our debates is the hon. Member for Rhondda (Chris Bryant) speaking for 50 minutes without mentioning his amendments. That may have been part of the problem of timing in relation to the Bill.

Select Committee Reports

2. **Philip Davies** (Shipley) (Con): What plans he has to increase the opportunities available for debate of Select Committee reports on the Floor of the House. [18987]

The Leader of the House of Commons (Sir George Young): Select Committees have been strengthened by the introduction of election procedures for members and Chairs. Powers to set the agenda of the House have also been given to the Backbench Business Committee, which with the Liaison Committee is providing opportunities to debate Select Committee reports in Westminster Hall and on the Floor of the House. Those two measures have increased the ability of the House effectively to hold the Government to account.

Philip Davies: The Wright Committee recommended that there should be more opportunities to debate Select Committee reports on the Floor of the House. What steps is my right hon. Friend taking to make that a reality, or is he just leaving that to the Backbench Business Committee?

Sir George Young: With the greatest respect to my hon. Friend, he is in a much better position than I am to ensure that more Select Committee reports are debated on the Floor of the House, because following the implementation of the Wright Committee, the days for those debates have been handed over to the Backbench Business Committee, on which he sits. The Committee has the freedom to decide whether to debate Select Committee reports or other matters; that power no longer rests with the Government.

Kevin Brennan (Cardiff West) (Lab): If more Select Committee reports are debated on the Floor of the House, can we avoid situations such as the one that occurred recently, when a Treasury Minister told the Public Administration Committee that he could not give the figure for compensation to Equitable Life policyholders because it had to be announced the following week in the comprehensive spending review, before leaking the information to the press that weekend? Could that be one way around this problem?

Sir George Young: I reject the hon. Gentleman's implication that there was any impropriety in the discharge of information relating to Equitable Life. The figure was given in the CSR statement by my right hon. Friend the Chancellor last week.

Parliamentary Calendar

3. **Jason McCartney** (Colne Valley) (Con): What proposals he plans to put to the House in respect of the structure of the parliamentary calendar for the remainder of the current Session. [18988]

5. **Rehman Chishti** (Gillingham and Rainham) (Con): What proposals he plans to put to the House in respect of the structure of the parliamentary calendar for the remainder of the current Session. [18990]

7. **Amber Rudd** (Hastings and Rye) (Con): What proposals he plans to put to the House in respect of the structure of the parliamentary calendar for the remainder of the current Session. [18992]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): My right hon. Friend the Leader of the House announced the proposed parliamentary calendar until the end of 2011 last Thursday at the commencement of business questions, and I hope right hon. and hon. Members will have had the opportunity to pick up a copy.

Jason McCartney: I thank the Deputy Leader of the House for that answer, which will allow me and many colleagues in the House to plan our next few months in our constituencies. Can he help me plan the next four and a half years in my constituency, by giving the House an update on the Fixed-term Parliaments Bill?

Mr Heath: As the hon. Gentleman knows, we have had the Second Reading of that Bill. It should go into Committee shortly. I hope it will be able to make speedy progress, given the degree of consensus that exists across the House, and we hope it will receive Royal Assent at the earliest opportunity.

Rehman Chishti: Does my hon. Friend agree that plans to reform the parliamentary calendar will enhance the ability of the House to scrutinise and debate effectively the Government's proposed legislation for this Session?

Mr Heath: It is important that the House has the fullest possible opportunity to hold the Government to account. One of the difficulties that we had previously when the House did not sit in September was that there was a large part of the year when the actions of Ministers could not be scrutinised by the House. My answer to the hon. Gentleman is yes, I do think that is the case, but we can still do better. That is why I am convinced that we should continue the discussion about how we can best organise the parliamentary calendar to enable the House to do its job as effectively as possible.

Amber Rudd: Does my hon. Friend agree that if we have more transparency and clarity in the calendar, it will stop giving the impression, which we may have got with the previous Government, of legislation being railroaded through?

Mr Heath: I agree entirely. If we can make sure that plenty of days are allocated for, for instance, the Committee and Report stages of Bills, which the Government have been committed to doing, and if we can ensure that the House uses that time sensibly and adopts a rational approach to the important things that need to be debated at length and those that may not need to be debated at quite such length, the House can start to look like a grown-up legislature able to do its job effectively.

Fiona Mactaggart (Slough) (Lab): But is it not the case that even in the timetable that has been announced, we still have an extremely long summer recess in which Ministers will not be held to account in the House? Would it not be sensible if, instead of running days on unpredictably until late at night, we used more days during the summer to hold the Government to account, rather than holding them to account between 10 o'clock and 11 o'clock at night?

Mr Heath: The hon. Lady has expressed that view before. I do not entirely agree that we have an overlong summer recess, with the September sittings. That makes a huge difference to the way in which the House does its business. I also do not entirely agree that sittings are unpredictable. Where we have provided additional time, it has been in response to expected statements, to make sure that the House has protected time to do its business. We are constantly responding to the hon. Lady's Front-Bench team demanding more time and longer sittings to scrutinise Bills effectively. We must get the right balance. We will look at the matter in more detail. The Procedure Committee has said that it will look at the calendar in the round, and she may want to give evidence to the Committee on her views.

Pre-legislative Scrutiny

8. **Diana R. Johnson** (Kingston upon Hull North) (Lab): What steps he plans to take to provide further opportunities for pre-legislative scrutiny of Government legislation; and if he will make a statement. [18993]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): We have announced the publication of our four draft Bills in this Session. That is the same as in four of the five Sessions of the previous Parliament. More draft Bills are being prepared and I hope we will have a more impressive total by the end of the Session.

Diana R. Johnson: Is not the Parliamentary Voting System and Constituencies Bill a lesson in how not to legislate? Despite it being a major constitutional change in this country, there has been no pre-legislative scrutiny. As I understand it, the Government are tabling hundreds of Government amendments while it is on the Floor of the House. Should not the Government rethink this, abandon the Bill and bring back one that has been properly thought through?

Mr Heath: The hon. Lady is pursuing this argument. Early in the lifetime of a Government, there will, of course, be some Bills that are not available for pre-legislative scrutiny, simply because—apart from anything else—otherwise the House would be sitting here with nothing to do. That is why we have ensured that these important Bills are debated on the Floor of the House, where they can receive the longest possible scrutiny. I hope that, by the completion of all its parliamentary stages, every part of the Bill she mentioned will have been available for scrutiny, if hon. Members wish to pick up any specific points. I simply do not believe that there is an alternative way of doing business. Having said that, our normal practice will be to introduce important Bills in draft, as has been clearly stated. There are more Bills in the pipeline, and she will find that, by the end of the Session, considerably more Bills will have been considered in draft than in the previous Session.

Business Committee

10. **Robert Halfon** (Harlow) (Con): What progress has been made on the establishment of a House business Committee. [18995]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I refer the hon. Gentleman to the answer I gave earlier.

Robert Halfon: Does my hon. Friend agree that the House business Committee, allied with the Backbench Business Committee and the elections to Select Committees, has restored the balance of power between Parliament and the Executive? What other steps is he taking to redress that balance?

Mr Heath: We have already introduced quite a hefty group of reforms. I place on the record again my gratitude to the Wright Committee for its work, although I do not think that its proposals are necessarily the end of the story. I hope that the work of the Procedure Committee and the work that we will continue to do in bringing forward suggestions from my right hon. Friend the Leader of the House and myself will give us the opportunity to ratchet up steadily the involvement of individual Members of the House, to enable them to do the job that they were sent here to do on behalf of their constituents, which is to represent their constituents properly and to hold the Government to account in both their legislative and executive functions. The previous Parliament was incapable of doing that simply because of the restrictions placed on it. I hope that we can now make steady progress in improving the reputation of the House.

Joan Walley (Stoke-on-Trent North) (Lab): But is not part of the job of an MP to introduce private Members' Bills when they come first, or even ninth, in the ballot? It is vital that the House looks closely at private Members' Bills and at the Committee stages to ensure that we are able to bring measures to the House and get them enacted?

Mr Heath: We need to consider urgently how we scrutinise private Members' legislation. The Procedure Committee is currently looking at that, and I hope that it will make proposals in the near future. Meanwhile, we will have to consider—my right hon. Friend the Leader of the House is considering this—how we best use the time made available by the slightly longer Session than usual to enable greater scrutiny and greater opportunities for private Members' legislation already in the pipeline.

Pete Wishart (Perth and North Perthshire) (SNP) *rose—*

Mr Speaker: I call Mr Angus Robertson.

Angus Robertson (Moray) (SNP) *indicated dissent.*

Mr Speaker: No, the hon. Gentleman is not standing. He was poised, perched like a panther. I call Mr Pete Wishart.

Pete Wishart: Will the hon. Gentleman assure me that the House business committee will be a Committee of the whole of the House, not just the Government parties and the Labour Opposition? What is he and the Leader of the House doing personally to ensure that smaller parties are properly represented on the new Committee?

Mr Heath: The hon. Gentleman knows, because we discussed the matter very early in this Parliament, that the Wright Committee was not terribly helpful in its proposals to him and his colleagues. Having committed ourselves to implementing the Wright Committee, we were left in some difficulties. However, we need to ensure that the voices of smaller parties in the House are clearly heard. I hope that he will take part in the necessary discussions about the establishment of the House business committee to ensure that that is done in good order and in a way that is consistent with the Wright Committee proposals while reflecting best practice in the House.

Points of Order

3.34 pm

Andy Burnham (Leigh) (Lab): On a point of order, Mr Speaker. The House will recall that on 5 July the Secretary of State for Education announced the closure of the Building Schools for the Future scheme and the cancellation of 700 school building projects. Six hundred had reached financial close and were described in a list published by the Department as "unaffected". However, last Friday local authorities received phone calls to tell them to make 40% efficiencies in those projects, threatening to throw local plans into chaos.

On the "Politics Show" yesterday the Education Secretary said that schools were informed back in July of the potential for further large-scale cuts. However, councillors in Salford, Leicester and Nottingham dispute that claim, which is at odds with the statement given to this House back in July that the remaining projects would be "unaffected". There is a great deal of confusion in communities throughout the country about Building Schools for the Future. The projects matter greatly to children and teachers in those communities and to Members in this House, so I request through you, Mr Speaker, that the Education Secretary makes an urgent statement to the House to clarify matters.

Mr Speaker: I am grateful to the shadow Secretary of State for his point of order. I confess that here and now I detect nothing on which I should rule. That is a narrow interpretation of my responsibility, but it is a direct response to the point of order that the right hon. Gentleman has raised. I have heard very clearly what he has said. He has in a sense put his request for a statement on the record. That will have been heard by Members on the Treasury Bench, and I hope that it is helpful, both to the right hon. Gentleman and to others who have expressed an interest, if I remind the House that there is an upcoming debate on the comprehensive spending review, within which the concerns articulated by the right hon. Gentleman will doubtless be more fully aired.

Hazel Blears (Salford and Eccles) (Lab): Further to that point of order, Mr Speaker. You will understand the distress and concern that has been caused in Salford as a result of a telephone call that came out of the blue at the end of last week, saying that our Building Schools for the Future programme might be cut by 40%. I ask you to convey to the Secretary of State the deep concern that people have and the gravity of the need for him to respond. I shall ask him for an urgent meeting to discuss the matter with people from Salford, and I just ask that you, Mr Speaker, ensure that he is fully aware of the distress that the matter has caused.

Mr Speaker: I note what the right hon. Lady says and certainly do not treat it with levity, but I am not convinced that I am, in this situation, a better conveyor belt than the right hon. Lady herself. She has just registered her concern and conveyed her message to the Secretary of State, and in those circumstances I do not think that I need to do so.

Mr Wayne David (Caerphilly) (Lab): On a point of order, Mr Speaker. On Wednesday last week, at column 986 of *Hansard*, the hon. Member for Suffolk Coastal (Dr Coffey) may have given the wrong impression to the House by implying that in the European Parliament Labour MEPs had supported an increase in the EU budget. That is not the case, nor did they vote for the EU to have tax-raising powers. I say that to set the record straight.

Mr Speaker: The hon. Gentleman has done so—doubtless to his own satisfaction and, possibly, to that of others.

Angus Robertson (Moray) (SNP): On a point of order, Mr Speaker. The Prime Minister has assured the House that no decision has been taken on the future of RAF Lossiemouth. However, defence documents have been forwarded to me indicating that the Air Force top brass favours RAF Marham as the main future base for Tornado aircraft. Such a decision would decimate the Moray economy, cut armed forces numbers in Scotland by 25% and concentrate the RAF in the south of England. Given how important an issue this is for service families, for Moray and for the whole of Scotland, has the Ministry of Defence confirmed when an official announcement will be made in this House?

Mr Speaker: The short answer is no, but the hon. Gentleman has made his point with his usual force.

Ian Mearns (Gateshead) (Lab): On a point of order, Mr Speaker. This morning I received an answer to a written question from the Minister of State, Department of Energy and Climate Change, the hon. Member for Bexhill and Battle (Gregory Barker). My concern about the answer is that it refers to only half my constituency, when my question referred to the whole of it. Inasmuch as there has been a boundary change, the answer refers to the part of my constituency which was formerly in the old Gateshead East and Washington West seat and totally ignores the half that was in the constituency of Tyne Bridge. I am a bit concerned not only from my perspective, but for all hon. Members, because we are anticipating 600 boundary changes some time in the future.

Mr Speaker: The hon. Gentleman is proving that he is fastidious to a fault, and what I can say by way of advice and assistance is that I feel sure that a quick visit to the Table Office will yield a benefit to him, not least if he seeks to table further questions, as I suspect perhaps he might.

Paul Flynn (Newport West) (Lab): Further to that point of order, Mr Speaker. I think it is time that we investigated the appallingly vacuous answers that we are having to parliamentary questions. They are the worst answers I can remember in 25 years in this House. I will give just one example from last Wednesday, when I asked a question on the number of desertions from the Afghan army and police. That is a matter of great importance for our soldiers in Afghanistan, because our whole exit strategy is based on a strong army. The answer that appeared made no reference whatsoever to the substance of the question asked. This is becoming increasingly common. The Government seem to be systematically leaking on a more incontinent basis than any other previous Government, and they are not answering questions; they are now treating this Parliament with disrespect.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. Lest others who listen to our proceedings are not aware of it, I can remind them, or inform them for the first time, that the hon. Gentleman is the author of a well-thumbed tome entitled "Commons Knowledge: How to be a Backbencher". Over the years, he and I have both tabled very large numbers of questions, but I have to say to him, with some relief, that I have never been responsible for the content or quality of the answers under successive Governments.

The hon. Gentleman makes a serious point, but it is not one, as I think he knows, on which I can rule. What I will say to him is twofold. First, the Leader of the House is sitting on the Treasury Bench and will have heard very clearly the plaintive representation that he has made. Secondly, as an inquiry is currently being conducted, or is shortly to be conducted, into the subject of parliamentary questions and ministerial answers under the auspices of the Procedure Committee, if memory serves me correctly, the hon. Gentleman, with his vast experience and many examples, might wish to submit evidence to that Committee. I think that that would be useful.

Joan Walley (Stoke-on-Trent North) (Lab): Further to the point of order on the Building Schools for the Future programme, Mr Speaker. If it is the case that there have been significant changes to money that was allocated in July, can you make sure that there is information in the Library prior to Wednesday's debate on the comprehensive spending review?

Mr Speaker: Ministers will have heard the request that the hon. Lady has made. I have noted it myself, and it does not seem unreasonable. I cannot continue now the debate and exchanges that have already taken place, but I am grateful to her and to all hon. Members.

Mr David Nuttall (Bury North) (Con) *rose—*

Mr Speaker: Mr Nuttall addressed the House for over an hour on Friday, but he feels a great thirst to raise a point of order, and of course I shall hear it.

Mr Nuttall: Further to the point of order on parliamentary questions, Mr Speaker. If I may assist, I understand that an e-mail has already been circulated from the Procedure Committee asking for any problems to be submitted to it.

Mr Speaker: That is most helpful; we are all exceedingly grateful to the hon. Gentleman.

Speaker's Statement

3.43 pm

Mr Speaker: I have a statement to make to the House. I have to inform the House that, as required by section 144 of the Representation of the People Act 1983, I have received the certificate from the judges appointed to try the election petition relating to the Fermanagh and South Tyrone constituency election on 6 May 2010. The judges have determined that the petition be dismissed, and have certified that the hon. Member for that constituency was duly returned at the said election.

I shall lay the certificate on the Table, together with the shorthand writer's notes, and will cause the full text of the certificate to be entered in the Journal. Members wishing to read the certificate for themselves will find it set out in the Votes and Proceedings for today, which will be circulated with the Order Paper in tomorrow's Vote Bundle, available online and from the Vote Office.

Business without Debate

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

INVESTOR COMPENSATION SCHEMES

That this House considers that the draft Directive to amend the Investor Compensation Schemes Directive (European Union Document 12346/10) does not comply with the principle of subsidiarity, for the reasons set out in the Annex to chapter 7 of the Third Report of the European Scrutiny Committee (HC 428-iii); and, in accordance with Article 6 of the Protocol on the application of the principles of subsidiarity and proportionality, instructs the Clerk of the House to forward this reasoned opinion to the presidents of the European institutions.—*(Angela Watkinson.)*

Question agreed to.

Parliamentary Voting System and Constituencies Bill

[Relevant documents: The Third Report from the Political and Constitutional Reform Committee, Parliamentary Voting System and Constituencies Bill, HC 437, and the oral evidence taken before the Committee on Thursday 15 July on the Coalition Government's programme of political and constitutional reform, HC 358-i.]

[5TH ALLOCATED DAY]

Further considered in Committee

[MR NIGEL EVANS *in the Chair*]

New Clause 19

PRESS COMMENT ETC NOT SUBJECT TO SPENDING CONTROLS

'Expenses incurred in respect of the publication of any matter relating to the referendum, other than an advertisement, in—

(a) a newspaper or periodical,

(b) a broadcast made by the British Broadcasting Corporation or Sianel Pedwar Cymru, or

(c) a programme included in any service licensed under Part 1 or 3 of the Broadcasting Act 1990 or Part 1 or 2 of the Broadcasting Act 1996,

are not "referendum expenses" for the purposes of Part 7 of the 2000 Act.'.—*(Mr Harper.)*

Brought up, and read the First time.

3.45 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): I beg to move, That the clause be read a Second time.

It is a great pleasure to see you in the Chair, Mr Evans. The new clause is a straightforward and clear response intended to cure, for the alternative vote referendum, a possible ambiguity in the Political Parties, Elections and Referendums Act 2000 framework on the regulation of referendum expenses. It clearly states that the costs of covering and reporting on the referendum in the media are not referendum expenses for the purposes of that Act. That means that those costs will fall outside the regulatory regime that the PPERA puts in place.

I want to be absolutely clear that the new clause does not change the position on the regulation of advertising in the media by campaigning individuals or organisations. Such media costs will continue to be subject to the usual spending restrictions in the 2000 Act. However, we believe it is important to ensure that media outlets are not caught by the spending restrictions in place for the referendum when publishing information about it, since they will play a vital role in building public awareness.

I take this opportunity to thank the hon. Member for Nottingham North (Mr Allen) and the Select Committee on Political and Constitutional Reform for the scrutiny of the Bill that they carried out despite the time available. The Committee's members tabled a similar amendment, and I am grateful for their focus on the issue. They identified the problem and the potential ambiguity, and argued that it needed to be dealt with. The Committee identified a potential problem with the framework for referendums, as set out in the PPERA. Where there is ambiguity in statute there may be arguments either way, but I accept that on an issue as important as this, the law should be clear. That is why the Government have tabled their own new clause, similar to that tabled by the Committee's members and identical in its intention. However, I believe that there are sound technical reasons why our version is preferable.

Chris Bryant (Rhondda) (Lab): I warmly welcome the fact that the Government have tabled the new clause. Broadly speaking, the Minister is absolutely right that it was never anybody's intention that ordinary newspapers, magazines, television broadcasts and so on should be included in the referendum expenses regime. However, there are some complications because of some of the terms used in the new clause.

I note that the Minister said en passant that the Committee chaired by my hon. Friend the Member for Nottingham North (Mr Allen) managed to come up with a report despite the time available, but of course the lack of availability of time was entirely down to the Minister, not down to anybody else. As the Minister noted, the Committee produced its own version of what a new clause might look like, and a lot of us have been lobbied by different parts of the media in favour of some version or other of an amendment such as this one. The Minister said that the Government's version was slightly different, and I hope that he will be able to take us through why.

The new clause mentions, first:

"Expenses incurred in respect of the publication of any matter relating to the referendum, other than an advertisement, in...a newspaper or periodical".

As I understand it, it is remarkably difficult to specify in law what is a newspaper or periodical. So far as I can see, there is no one clear definition of newspaper or periodical. I assume that the Government understand "newspaper or periodical" to be the same, not two separate concepts.

I can find two instances of a definition in statute. The first is the Newspaper Libel and Registration Act 1881, which states:

"The word 'newspaper' shall mean any paper containing public news, intelligence, or occurrences, or any remarks or observations therein printed for sale, and published in England or Ireland periodically, or in parts or numbers at intervals not exceeding twenty-six days between the publication of any two such papers, parts, or numbers.

Also any paper printed in order to be dispersed, and made public weekly or oftener,"—

"oftener" is slightly strange language—

"or at intervals not exceeding twenty-six days, containing only or principally advertisements."

I presume that the Government are not relying on that definition, because it applies only to England and Ireland, which is in a Bill that tried to ensure that all newspapers and periodicals were registered. That registration process no longer exists—now anyone is free to publish a newspaper or a periodical.

The second instance is in section 7(5) of the Defamation Act 1952, which states that

"the expression 'newspaper' means any paper containing public news or observations thereon, or consisting wholly or mainly of advertisements, which is printed for sale and is published in the United Kingdom either periodically or in parts or numbers at intervals not exceeding thirty-six days."

I am sure that keen-eared Members noted that between 1881 and 1952, there was a difference of 10 days in the frequency with which a printed item might be described as a newspaper or a periodical.

Mr Mark Field (Cities of London and Westminster) (Con): That may have had something to do with Christmas and a monthly publication potentially covering five weeks at that time of year. However, the shadow Minister may have stronger ideas about the reason for that difference—or mistake.

Chris Bryant: It seems slightly odd to go to 36 days because there is no specific definition of the date of publication. Of course, the hon. Gentleman is right that if the Christmas edition of a monthly publication is published around 15 November—after doubtless being written around 15 July—there might be more than 26 days between it and the next edition. However, large elements of the Defamation Act have been repealed, although the precise definition of newspaper seems still to exist. The territorial extent of that Act is not only England and Ireland, but Wales and Scotland.

Election law has for some considerable time made allowance for newspapers and periodicals so that, for example, an edition of *The Times* that advocates people voting Conservative or *The Guardian* bizarrely supporting the Liberal Democrats in a general election are not suddenly caught for election expenditure. I understand that, but the new clause needs greater clarity, not least because many more people now engage in publication. Under the 1881 Act, people had to be licensed to do that. Today, anybody can publish, and there is no specification in law of the number of copies that must be published, only of the frequency. I do not know whether the Parliamentary Secretary's Conservative association produces a regular newsletter. Whether it is counted as a newspaper or periodical is of material significance to election expenditure.

I therefore hope that the Parliamentary Secretary can first explain his understanding of newspaper or periodical and from where he derives the definition, not least because the new clause does not refer to the derivation of the interpretation.

Secondly, subsection (b) of new clause 19 refers to

"a broadcast made by the British Broadcasting Corporation"

or Channel 4, but Channel 4 is going to be part of the BBC in the near future—

Ian Lucas (Wrexham) (Lab): S4C.

Chris Bryant: Sorry, S4C, not Channel 4. S4C is going to be part of the BBC in the near future. I presume that subsection (b), which might be presumed at a later date to transfer to other referendums, would not be disturbed by the congruence of the two organisations, I think in 2013-14.

Subsection (b) also uses the term "broadcast", a word that, in legislation, specifically refers to broadcasting from one to many points. That is to say, the broadcaster does not determine the precise number of people who receive a programme, network or channel, as opposed to cable, which has never before been referred to as broadcasting, because it is point-to-point. That is to say, the cable organisation knows exactly where the programme is going, because there is a direct connection between A and B, as opposed to what happens in terrestrial broadcasting, whether digital or otherwise. That is why the Communications Act 2003 has separate provisions for broadcasting and cable. I would be grateful if the Minister could clarify that when he says "broadcast" he does not just mean broadcasting, but includes cable and the provision of any such programme via any other means.

I ask that because subsection (c) refers explicitly to

"a programme included in any service licensed under Part 1 or 3 of the Broadcasting Act 1990 or Part 1 or 2 of the Broadcasting Act 1996".

I do not understand why subsection (b) refers to a broadcast—as opposed to either a programme provided by the two organisations listed or one included in any service provided by them—and it contrasts with how subsection (c) has been constructed. In addition, there is an issue relating to the provision of party political broadcasts, because there will be a different level of provision of party election broadcasts in Wales, Northern Ireland and Scotland, as a result of the elections being held there, from that provided in England during the run-up to the referendum and the short campaign for those elections. I suppose that any of the political parties in those areas could decide that it wanted to major on the alternative vote provisions and the referendum in its party election broadcast, and therefore might be considered to be in conflict with the provisions under the terms of the 2000 Act or the Broadcasting Act 1990.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): A party might indeed consider doing that, but would the hon. Gentleman concede that the political reality of the situation is that most parties and combatants in the Scottish and Welsh elections will have better things to do than consider the AV referendum? That further underlines the folly of holding the referendum on the same day as those elections, thereby not giving the issue its proper space in those territories.

Chris Bryant: Indeed. Many of the provisions that we will talk about in the main debate this afternoon relate to the combining of polls, but this is the only point in the debate on the Bill when there can be any discussion about party election broadcasts, because this is the only point in the Bill that they are referred to. All the other elements—how many registers of electors there should be, what colour the ballot papers should be, how many polling cards there should be and so on—are referred to in the new schedules that we will come to a little later, but not broadcasting, which is a reserved responsibility.

The Broadcasting Act 1990 makes it clear that

"any regional Channel 3 licence or licence to provide Channel 4 or 5 shall include—

(a) conditions requiring the licence holder to include party political broadcasts in the licensed service; and

(b) conditions requiring the licence holder to observe such rules with respect to party political broadcasts as the Commission may determine."

In addition, we specified in section 127 of the Political Parties, Elections and Referendums Act 2000 that

"(1) A broadcaster shall not include in its broadcasting services any referendum campaign broadcast made on behalf of any person or body other than one designated in respect of the referendum in question under section 108.

[Chris Bryant]

(2) In this section, 'referendum campaign broadcast' means any broadcast whose purpose (or main purpose) is or may reasonably be assumed to be—

(a) to further any campaign conducted with a view to promoting or procuring a particular outcome in relation to any question asked in a referendum to which this Part applies, or

(b) otherwise to promote or procure any such outcome."

4 pm

It is my contention that this provides us with a degree of uncertainty about what should happen during the process of the combined elections, particularly in Wales, Scotland and Northern Ireland, but also in England, in relation to party election broadcasts and referendum broadcasts. This will be the first time that broadcasters have had to deal with this set of coincidences—or rather, not coincidences, but this deliberate combination. There is a danger that, if political parties are obsessing too much about the referendum, many voters will worry that there will be an excess of referendum and party political broadcasts next year. Certainly in Wales, we will probably have them from the beginning of February all the way through to May. Some people might think that one party election broadcast a year is enough; I am sure that most of our voters do.

The real danger is that there will be conflict between the different kinds of party election and referendum broadcasts, but the argument can also go the other way. If, for example, all the people who appeared in a television broadcast during the AV referendum campaign in Wales were from the Labour party, people might contend that the broadcast in question was not a referendum broadcast but a party election broadcast on behalf of the Labour party. I very much hope that the Government will be able to clear up some of these problems.

In the Communications Act 2003, section 333—which is halfway to 666—requires Ofcom to ensure that party political broadcasts, including those for referendum campaigns, are covered by UK regional ITV, Channel 4, Five, Classic FM, talkSPORT and Virgin 1215 services. Obviously, the BBC is separately obliged to cover the broadcasts under the rules set out in its charter and governed by the BBC Trust. I presume that no elements of that are going to be changed by the announcements that the Secretary of State for Culture, Olympics, Media and Sport made last week. The 2003 Act also requires S4C to cover election and referendum broadcasts, but places regulatory responsibility with the Assembly, not Ofcom.

That brings me to another subset of the problem, which is that I am not sure whether there has been explicit consultation with the Assembly on the provision of party election and referendum broadcasts in the run-up to next May. I hope that the Minister will be able to place in the Library of the House all the correspondence that he has had with Ministers in Wales, Scotland and Northern Ireland on the combination of polls, on the elements that I have raised in relation to the new clause, and on the statutory instruments, which I understand have not yet been tabled, but which the Leader of the House wrote to some of us last week to say would be tabled very soon. I do not think that they have been seen yet, however. I would be grateful if the Minister could answer some of those questions, and lay in the Library of the House all his correspondence with Ministers in the devolved Administrations relating to these issues.

Mr Mark Field: I agree with what the Government are trying to do in new clause 19; they have taken on board some of the concerns expressed by the Select Committee. However, I want to ask the Minister a question about the increasingly important influence of the new media. Does he not feel—I appreciate it will not apply to this particular referendum—that much of our legislation, particularly that dealing with media comment, is now ripe for a much more radical overhaul? This could be the first referendum in which we see a significant amount of money being spent by online providers trying to put their message across—in both the English and the Welsh language, I suspect—on this issue. Much of the legislation already in place looks more towards 20th-century and perhaps even, in some cases, 19th-century media. Much of the new media will have a greater impact—not just through blogs, but through a whole range of forums coming under the auspices of existing magazines and periodicals—so I would like to know what indications the Government have had about the likely costs and whether they will count towards the amount of election expenditure.

It strikes me that we are now living in a much-changed world. Younger voters in particular are less likely to look at newspapers, periodicals or even the television as the most important mechanism for getting comment on political and other related matters. There is concern that a great deal of our legislation requires a much more radical overhaul than people appear to have in mind. Given the context of where we are today, however, the new clause provides a sensible way forward, taking into account many of the concerns expressed by the all-party group.

Mr Harper: I am grateful to the hon. Member for Rhondda (Chris Bryant) and to my hon. Friend the Member for Cities of London and Westminster (Mr Field) for raising a number of questions. Let me step back a little and explain why we tabled the new clause.

The problem arises from the definition of the word "material" in schedule 13 of the Political Parties, Elections and Referendums Act 2000. The reason for the concern —some media organisations were worried—is that there was some ambiguity about the meaning. We think "material" means leaflets and other campaigning items, but we decided to fix any ambiguity.

The hon. Member for Rhondda asked me why we prefer our new clause to the amendment that the Committee had tabled. That amendment changed section 117 of the 2000 Act, with the effect that media costs were still categorised as referendum expenses within the regulatory regime. The amendment further specified that although these were referendum expenses, there was no need for individual bodies to be permitted participants if they wanted to spend more than that. That might not have been the Committee's intention, but that is how we thought it would work. By comparison, our amendment simply says that those media costs are not referendum expenses at all, so they are not subject to the regulatory regime set down by the Act. We think that that provides a more direct and less confusing approach than the Committee set out in its amendment. Our new clause has the same spirit and purpose, but we prefer it, as I have explained.

The hon. Member for Rhondda asked a number of questions. As to the definition and use of language, our approach is to use the equivalent provisions in the

PPRA that regulate third-party activity in elections, which have been in place since 2000. The commission responsible for regulating the provisions is happy with how it has been defined and will issue some guidance setting out the case in a little more detail. As I have learned, it is not terribly helpful—to use a ghastly phrase—to have undue specificity on the face of the Bill, whereby every single possible definition of a media outlet is set out. If that is done, but one possible meaning is not captured by the definitions, it makes it easy for a person to argue that they are not covered. Having a broader definition, about which the commission can issue guidance, is much more likely to hold up legally, particularly when it comes to some of the new media to which my hon. Friend the Member for Cities of London and Westminster has rightly drawn our attention.

I shall come to my hon. Friend's point about the future in a moment, but we have followed the approach in the PPRA and made it explicit that, in the case of this particular referendum, the regulations will be the same as those applying to third-party activity in elections. I think that, because the referendum and the elections are to take place on the same day, it is important for us to apply the same regime to both.

Chris Bryant: The Minister is talking complete sense, but I should like to be absolutely certain about what constitutes "a newspaper or periodical", notwithstanding the issue of the convergence of a number of different media. There is a clear definition in the 2000 Act; perhaps he could give it to us.

Mr Harper: We have simply replicated the provision in the PPRA. I do not have it in front of me, but I should be happy to write to the hon. Gentleman about it later.

Chris Bryant: I understand that. My point is that I am not sure that there is a definition in law of "newspaper or periodical", and I think that it is about time we had one. Definitions appeared in legislation in 1881 and 1952, but they conflict with each other.

Mr Harper: As I think I made clear in my reply to my hon. Friend the Member for Cities of London and Westminster, it is much better to leave such definitions to case law, which can evolve over time. If they are defined too tightly in statute law, and then new media appear and changes take place in the way in which the media are produced, we shall find that we must continually update primary legislation in order to keep up with the changes. The hon. Gentleman put his finger on it when he referred to those older definitions and the fact that they have changed. It is better to set a wider definition. The commission can issue guidance, and if problems arise, the courts can interpret the definitions in the light of changes in the way in which media organisations work, and changes in technology. That way of proceeding will produce a tighter definition than trying to include too much detail in primary legislation, which will then become out of date.

The hon. Gentleman asked about our use of the words "broadcast" and "programme". Again, we wanted the clause to be consistent with the third-party expenditure provisions in the PPRA, and also with the parent terms in the Broadcasting Act 1996, to which the hon. Gentleman referred. We did not want to open up gaps enabling people to argue that the words did not mean what they had in those original pieces of legislation.

My hon. Friend the Member for Cities of London and Westminster referred to new media and changes in communication and technology, particularly in the context of the internet, e-mail and similar techniques. Because this will be the first United Kingdom-wide referendum to use the framework in the PPRA, one of the commitments that the Government have given to the Lords Constitution Committee, which has prepared a report on referendums, is that once it has taken place we will review the way in which it has operated, in order to establish whether we should make any legislative changes—changes in the framework, not just in specific referendums.

As my hon. Friend will know, the coalition Government are committed to introducing more referendums on both European and local matters. We now have a good opportunity to review the working of the system and to establish what practical changes are needed, given that there are likely to be more referendums in the future.

Chris Bryant: I thought that there would only be more referendums on European matters if treaties were proposed that would take powers away, but that is—I hope—a debate for another day.

I am still somewhat perplexed about the Minister's understanding of "broadcast" and "programme". I recognise that there are parallels in other legislation, but the concept of what constitutes the expense is material in this context. Is it the expense of making the referendum broadcast, which might include the cost of filming and so forth, or is it the expense of broadcasting the programme?

Mr Harper: I have not yet dealt with the hon. Gentleman's point about party election broadcasts and referendum broadcasts.

On the issue of election broadcasts as against referendum broadcasts, it will be for the Electoral Commission to address the matter of referendum broadcasts with the yes and no campaigns once they have been designated. I listened very carefully to the remarks of the hon. Member for Rhondda about the differences between the rules for party election broadcasts and for referendum broadcasts and the provisions on them, and I thought—if I may say so as he was very courteous about me—that he explained them very clearly. On his specific point about the rules in respect of combination and what correspondence there was on that with Ministers in devolved Governments, as he will know, Ministers in devolved Governments are not responsible for the administration of elections. At present, that is the responsibility of the three territorial Secretaries of State and my officials and I have been discussing these matters with them. The hon. Gentleman will also know that the Calman proposals include recommendations to devolve the administration of elections in Scotland to the Scottish Government, but that has not yet taken place.

4.15 pm

Chris Bryant: So there has been absolutely no consultation with the Administrations in Scotland, Wales or Northern Ireland about the combining of polls, the statutory

[Chris Bryant]

instruments that are to be laid later this week, or the referendum broadcasts, which in Wales are the responsibility of the Welsh Assembly not Ofcom?

Mr Harper: No, that is not what I said. The hon. Gentleman asked about what correspondence I had had on administering the elections, and I was just making the point that that is not the responsibility of Ministers in the devolved Administrations. There has, of course, been some contact, however. The hon. Gentleman will know that my right hon. Friend the Secretary of State for Wales has had discussions with the First Minister about, for example, the combination and whether the Welsh Assembly Government wanted to move the date of their election. They made it very clear that they did not. The hon. Gentleman will also know that my right hon. Friend the Secretary of State for Scotland has also had such conversations. Furthermore, I forwarded copies of the letter I sent to the hon. Gentleman and other Members explaining how we were going to lay the new clause and new schedules on combination that we will debate today not only to Ministers in the devolved Administrations but to the leaders of each of the parties represented in all three devolved bodies—the Parliament and the two Assemblies—in order to keep them informed. That is a perfectly reasonable way to conduct our business, and it is properly respectful of those nations.

Chris Bryant: Except that it is not much of a consultation if the Secretary of State for Wales goes to the First Minister in Wales and says, "The referendum is going to be held on the date of your Assembly elections. Do you want to move your Assembly elections?" That is a pretty rum sort of consultation—more a case of holding a gun to the other side's head than a proper consultation.

Mr Harper: I do not think that the hon. Gentleman is characterising that in a sensible fashion. This is a national referendum to be held in the United Kingdom, and it is a reserved matter for the UK Government to decide upon. When this whole issue arose and my right hon. Friend the Deputy Prime Minister made a statement to the House, some Members asked what consultation had taken place and he made it clear that this is a matter for the UK Government and that it was right that this House heard the announcement first, before any conversations took place with the devolved Administrations. I do not think that is disrespectful; rather, it is properly respectful of the rights of this House.

Mr MacNeil: Does this not highlight that when devolution was established by the then Labour Government, they were trying too hard to hold on to power and they should instead have been a bit more relaxed and allowed the devolved Assemblies or Parliaments a bit more power over the governance of their own elections? That is not rocket science.

Mr Harper: I thank the hon. Gentleman for that point. In my response to the hon. Member for Rhondda, I set out what the arrangements are now for the administration of elections. One of the things that has been discussed as part of the Calman proposals is the suggestion to devolve the administration of elections to the Scottish Government. I hope that we can take that forward, and I am sure that the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) would welcome it. I think that I have run through the issues raised by the hon. Member for Rhondda and by my hon. Friend the Member for Cities of London and Westminster. He is no longer in his place and that demonstrates that his questions have been adequately answered.

Chris Bryant: It does not follow.

Mr Harper: I think that in this particular case it does follow. It might not follow if the hon. Gentleman left his place, but I think that my hon. Friend has left the Chamber because he was satisfied. Therefore, I ask hon. Members to support the new clause.

Question put and agreed to.

New clause 19 accordingly read a Second time, and added to the Bill.

New Clause 20

COMBINATION OF POLLS

'(1) Where the date of the poll for one or more of the following is the same as the date of the poll for the referendum, the polls are to be taken together—

(a) a local authority election in England;

(b) a local referendum in England;

(c) a mayoral election in England.

(2) The polls for the referendum and the Welsh Assembly general election in 2011 are to be taken together.

(3) The polls for the referendum and the Scottish parliamentary general election in 2011 are to be taken together.

(4) Where the date of the poll for one or more of the following is the same as the date of the poll for the referendum, the polls are to be taken together—

(a) a Northern Ireland Assembly Election;

(b) a Northern Ireland local election.

(5) The following have effect—

Schedule [Combination of polls: England], in relation to the polls to be taken together in England under subsection (1);

Schedule [Combination of polls: Wales], in relation to the polls to be taken together in Wales under subsection (2);

Schedule [Combination of polls: Scotland], in relation to the polls to be taken together in Scotland under subsection (3);

Schedule [Combination of polls: Northern Ireland], in relation to the polls to be taken together in Northern Ireland under subsection (4).

(6) Polls taken together under this section must not be taken together with any other polls (despite provision in any enactment to the contrary).

(7) Section 16 of the Representation of the People Act 1985 (postponement of poll at parish elections etc) does not apply to any polls taken together under subsection (1).

(8) In this section—

"local authority election in England" means the election of a councillor of any of the following— a county council in England; a district council in England; a London borough council; a parish council;

(a) a county council in England;

(b) a district council in England;

(c) a London borough council;

(d) a parish council;

"local referendum in England" means a referendum held in England under Part 2 of the Local Government Act 2000;

"mayoral election in England" means an election in England for the return of an elected mayor as defined by section 39(1) of the Local Government Act 2000;

"Northern Ireland Assembly election" means an election to the Northern Ireland Assembly;

"Northern Ireland local election" means a local election as defined by section 130(1) of the Electoral Law Act (Northern Ireland) 1962;

"Scottish parliamentary general election" means an ordinary election under section 2 of the Scotland Act 1998;

"Welsh Assembly general election" means an ordinary election under section 3 of the Government of Wales Act 2006.'.—*(Mr Harper.)*

Brought up, and read the First time.

Mr Harper: I beg to move, That the clause be read a Second time.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment (a) to new clause 20, leave out subsection (1) and insert—

(1) Where the date of the poll for a local authority election in England is the same as the date of the poll for the referendum, the polls are to be taken together.'.

Amendment (b) to new clause 20, leave out subsection (4) and insert—

(4) Where the date of the poll for a Northern Ireland Assembly Election is the same as the date of the poll for the referendum, the polls are to be taken together.'.

Amendment (c) to new clause 20, in subsection (8), leave out from '"local referendum in England"' to the second "Local Government Act 2000;"

Amendment (d) to new clause 20, in subsection (8), leave out from '"Northern Ireland local election"' to "Electoral Law Act (Northern Ireland) 1962".

Government new schedule 2—*Combination of polls: England.*

Amendment (a) to new schedule 2, in paragraph 11, in sub-paragraph (1) leave out '15th' and insert '28th'.

Amendment (b) to new schedule 2, after paragraph 12, insert—

'*Absent voter application*

12A An application under regulation 51(4)b of the Representation of the People (England and Wales) Regulations 2001, SI 2001/341, for an absent vote must state whether it is made for parliamentary elections, local government elections, referendums or all of them.'.

Amendment (c) to new schedule 2, leave out paragraph 15 and insert—

'15 (1) The Chief Counting Officer shall select the colour of the ballot paper used for the referendum.

(2) The other ballot papers used for any relevant election shall be of a different colour from that selected by the Chief Counting Officer.'.

Amendment (d) to new schedule 2, in paragraph 17, leave out sub-paragraph (1) and insert—

'(1) The official poll cards used for the referendum and for the relevant elections must be combined for all electors qualified to vote in all the polls.'.

Amendment (e) to new schedule 2, in paragraph 18, leave out sub-paragraph (1) and (2) and insert—

(1) Separate ballot boxes must be used for the referendum to those used for other relevant elections taking place on the same day.

(2) Each ballot box must be marked to show—

(a) the referendum or relevant election to which it relates, and

(b) the colour of ballot papers that should be placed in it.'.

Amendment (g) to new schedule 2, in paragraph 27, in sub-paragraph (1), leave out

'If the counting officer thinks fit, the same copy of the register of electors may'

and insert

'Separate registers of electors must'.

Amendment (h) to new schedule 2, in paragraph 27, leave out sub-paragraphs (2) to (4).

Amendment (i) to new schedule 2, in paragraph 40, at the end of sub-paragraph (3) insert

'or

(c) the person is a Member of Parliament.'.

Amendment (j) to new schedule 2, after paragraph 43 insert—

'*Priority in counting of votes*

43A Counting officers must give priority to the counting of ballots cast in—

(a) the respective elections to the Northern Ireland, Scotland and Wales devolved administrations, and

(b) local council elections in each part of the United Kingdom.'.

Amendment (k) to new schedule 2, in paragraph 44, at the end of sub-paragraph (1), at end of sub-sub-paragraph (a) insert

'containing ballot papers for the referendum vote.'.

Amendment (l) to new schedule 2, in paragraph 44, at the end of sub-paragraph (1), at end of sub-sub-paragraph (b) insert

'containing ballot papers for the referendum vote.'.

Amendment (m) to new schedule 2, in paragraph 44, at the end of sub-paragraph (3), at end of sub-sub-paragraph (a) insert

'containing ballot papers for the referendum vote.'.

Amendment (n) to new schedule 2, in paragraph 44, at the end of sub-paragraph (3), at end of sub-sub-paragraph (b) insert

'containing ballot papers for the referendum vote.'.

Amendment (o) to new schedule 2, in Part 2, in the second column, in the entry relating to Regulation 71, leave out 'eleventh' and insert 'fifteenth'.

Government new schedule 3—*Combination of polls: Wales.*

Amendment (a) to new schedule 3, in paragraph 15, leave out sub-paragraph (1) and insert—

"(1) The official poll cards used for the referendum and the Assembly elections must be combined for all electors qualified to vote in all the polls.'.

Amendment (b) to new schedule 3, in paragraph 17, leave out sub-paragraphs (1) and (2) and insert—

"(1) Separate ballot boxes must be used for the referendum to that used for the Assembly elections.

(2) Each ballot box must be marked to show—

(a) the referendum or Assembly election to which it relates, and

(b) the colour of ballot papers that should be placed in it.'.

Amendment (c) to new schedule 3, leave out paragraph 18 and insert—

"18 (1) The Chief Counting Officer shall select the colour of the ballot paper used for the referendum.

(2) The other ballot papers used for the Assembly elections shall be of a different colour from that selected by the Chief Counting Officer.'.

Amendment (e) to new schedule 3, in paragraph 45, at the end of sub-paragraph (3) insert

'or

(c) the person is a Member of Parliament.'.

Amendment (f) to new schedule 3, in paragraph 47, in sub-paragraph (1)(d), leave out 'separate' and insert 'keep separate throughout'.

Amendment (g) to new schedule 3, in paragraph 49, sub-paragraph (1), at the end of sub-sub-paragraph (a) insert

'containing ballot papers for the referendum vote.'.

Amendment (h) to new schedule 3, in paragraph 49, at the end of sub-paragraph (1), at end of sub-sub-paragraph (b) insert

'containing ballot papers for the referendum vote.'.

Amendment (i) to new schedule 3, in paragraph 49, at the end of sub-paragraph (3), at end of sub-sub-paragraph (a) insert

'containing ballot papers for the referendum vote.'.

Amendment (j) to new schedule 3, in paragraph 49, at the end of sub-paragraph (3), at end of sub-sub-paragraph (b) insert

'containing ballot papers for the referendum vote.'.

Government new schedule 4—*Combination of polls: Scotland.*

Amendment (a) to new schedule 4, paragraph 15, leave out sub-paragraph (1) and insert—

"(1) The official poll cards used for the referendum and for the Scottish parliamentary election must be combined for all electors qualified to vote in all the polls.'.

Amendment (b) to new schedule 4, paragraph 17, leave out sub-paragraphs (1) and (2) and insert—

"(1) Separate ballot boxes must be used for the referendum to that used for the Scottish parliamentary elections.

(2) Each ballot box must be marked to show—

(a) the referendum or parliamentary election to which it relates, and

(b) the colour of ballot papers that should be placed in it.'.

Amendment (c) to new schedule 4, leave out paragraph 18 and insert—

"18 (1) The Chief Counting Officer shall select the colour of the ballot paper used for the referendum.

(2) The ballot papers used for constituency or regional ballots shall be of a different colour from that selected by the Chief Counting Officer.'.

Amendment (e) to new schedule 4, in paragraph 42, at the end of sub-paragraph (3) insert

'or

(c) the person is a Member of Parliament.'.

Amendment (f) to new schedule 4, in paragraph 46, in sub-paragraph (1)(d), leave out 'separate' and insert 'keep separate throughout.'.

Amendment (g) to new schedule 4, in paragraph 48, at the end of sub-paragraph (1) (a)insert

'containing ballot papers for the referendum vote.'.

Amendment (h) to new schedule 4, in paragraph 48, at the end of sub-paragraph (1), at end of sub-sub-paragraph (1)(b) insert

'containing ballot papers for the referendum vote.'.

Amendment (i) to new schedule 4, in paragraph 48, at the end of sub-paragraph (3), at end of sub-sub-paragraph (a) insert

'containing ballot papers for the referendum vote.'.

Amendment (j) to new schedule 4, in paragraph 48, at the end of sub-paragraph (3), at end of sub-sub-paragraph (b) insert

'containing ballot papers for the referendum vote.'.

Government new schedule 5—*Combination of polls: Northern Ireland.*

Amendment (a) to new schedule 5, leave out paragraph 12 and insert—

"12 (1) The Chief Electoral Officer shall select the colour of the ballot paper used for the referendum.

(2) The ballot papers used for any relevant elections shall be of a different colour from that selected by the Chief Electoral Officer.'.

Amendment (b) to new schedule 5, in paragraph 14, leave out sub-paragraph (1) and insert—

"(1) The official poll cards used for the referendum and for the relevant elections must be combined for all electors qualified to vote in all the polls.'.

Amendment (c) to new schedule 5, in paragraph 15, leave out sub-paragraphs (1) and (2) and insert—

"(1) Separate ballot boxes must be used for the referendum to that used for other relevant elections taking place on the same day.

(2) Each ballot box must be marked to show—

(a) the referendum or relevant election to which it relates, and

(b) the colour of ballot papers that should be placed in it.'.

Amendment (e) to new schedule 5, in paragraph 31, at the end of sub-paragraph (3) insert

'or is a Member of Parliament.'.

Amendment (f) to new schedule 5, in paragraph 32, in sub-paragraph (1)(c), leave out 'separate' and insert 'keep separate throughout.'.

Amendment (g) to new schedule 5, in paragraph 33, at the end of sub-paragraph (1)(a), insert

'containing ballot papers for the referendum vote.'.

Amendment (h) to new schedule 5, in paragraph 33, at the end of sub-paragraph (1)(b) insert

'containing ballot papers for the referendum vote.'.

Amendment (i) to new schedule 5, in paragraph 48, at the end of sub-paragraph (3)(a) insert

'containing ballot papers for the referendum vote.'.

Amendment (j) to new schedule 5, in paragraph 48, sub-paragraph (3), at end of sub-sub-paragraph (b) insert

'containing ballot papers for the referendum vote.'.

Chris Bryant: On a point of order, Mr Evans. This is a large group of amendments, schedules and a new clause; indeed, it constitutes some 120 pages of the amendment paper. I need a little clarity about when we come to vote on amendments and about whether, if we were to agree to the new clause, it would then be possible to vote on amendments to the schedule later.

The First Deputy Chairman: It is all dependent on how long this particular set of new clauses and schedules are talked to. Clearly, if we get to them before the knife is reached at 11 o'clock, they will be taken with the amendments, but that changes if we go beyond 11 o'clock.

Mr Harper: Encouragingly, the hon. Member for Rhondda took rather less time speaking to the previous new clause than he took last week. That may be a step forward and perhaps we may indeed—

Chris Bryant *rose*—

Mr Harper: Oh come on, that was a semi-serious comment and it does not require a response. *[Interruption.]* Oh go on then.

Chris Bryant: It will get a semi-serious response; I do not want the hon. Gentleman to worry about this. I merely wish to remind him that the Deputy Leader of the House, who is sitting next to him, has said:

"I am saying that every Member of this House has the right to express their opinion before this House in whatever way they feel is appropriate and to be listened to."—[*Official Report*, 19 January 2010; Vol. 504, c. 173.]

I am sure that the Deputy Leader of the House still feels that that is true.

Mr Harper: I agree, and indeed we did listen to the hon. Gentleman at length—I am just not sure that what he said would not have been improved had it been a little more brief. *[Interruption.]* It is a jest; do not take it so seriously.

As the hon. Gentleman said, the new clause and the new schedules are fairly sizeable. I am not going to labour the discussion on them, but they are important and so I shall go through them in some detail—I hope not to detain the House for longer than is absolutely necessary. They are required to provide that the referendum on the voting system can be combined with the eight different elections or local referendums across the UK that could take place on 5 May 2011. The "combination amendments"—I use a collective noun for them—consist of one new clause and four schedules. There is a schedule to deal with the combination with elections or local government referendums for each of England, Wales, Scotland and Northern Ireland. Each schedule is divided into three parts: part 1 deals with general provisions; part 2 deals with postal voting provisions; and part 3 deals with forms.

I think it is helpful to state that we decided not to include the combination provisions in the Bill when it was introduced on 22 July in order, as we said then, to allow us time to work with the Electoral Commission, the Association of Electoral Administrators and others in government, particularly those in the territorial offices, to make sure that if we did hold the referendum on the same day as elections, notwithstanding the arguments that Members of the Committee have made about whether or not we should do so, those polls would be well conducted and well run.

Our general approach has been to adopt a consistent approach for the referendum across the UK, but we have recognised that in some areas there is a need for variation to reflect local circumstances. For example, following consultation with the Scotland Office, the Wales Office and the chair of the interim Scottish electoral management board it became apparent that it would make the conduct of the referendum and elections easier for administrators if, in Wales and Scotland, the referendums were run on the same respective boundaries as the Welsh Assembly and the Scottish parliamentary elections. Appropriate provisions were consequently added to the Bill following a successful Government amendment last Monday and further provisions to support this are included in new schedules 3 and 4.

I am conscious that this is a sizeable set of amendments and it is only right and proper that we should go through them in some detail, so let me set them out for the benefit of the Committee. At the end of my remarks I shall say something about the territorial orders, so if the hon. Member for Rhondda (Chris Bryant) feels the urge to intervene on me about that point, I want him to know that I will get to it and, if he will hold his horses, I will set it out.

New clause 20 provides that the referendum on the voting system will be combined with the following polls, which are scheduled to take place on 5 May next year: elections to the Welsh Assembly, elections to the Scottish Parliament, elections to the Northern Ireland Assembly, local elections in England, local elections in Northern Ireland, mayoral elections in five local authorities in England and parish elections in England. There is also a strong likelihood that there might be some local mayoral referendums in England on 5 May and we have included provisions to allow those polls to be combined with the referendum.

New clause 20 includes provisions on parish elections, which reflect the commitment that I made to my hon. Friend the Member for South West Bedfordshire (Andrew Selous) on Second Reading. In England, parish council elections will be combined with the local elections and the referendum on the voting system and not postponed for three weeks. The Government's decision takes into account the positive impact on turnout and the savings that can be made by combining these polls. Before making that decision, I was reassured by the Electoral Commission and the Association of Electoral Administrators that it would be possible in practice to combine the referendum, local elections and parish council elections on 5 May. I understand that that position is also supported by the National Association of Local Councils.

Subsection (6) of new clause 20 provides that, with the exception of the polls I have mentioned, no further polls will be combined with the referendum if they are arranged for 5 May. If there are any other unscheduled polls, such as a UK parliamentary by-election or a local government by-election in Wales, that run on separate boundaries, they will be run as separate elections, which will be easier and more straightforward for electoral administrators.

New schedule 2 sets out the provisions for the combination of the referendum with local parish and mayoral elections and local government referendums in England. I can advise the Committee that the majority of these provisions mirror those that already exist for combining polls under the various combination rules included under relevant pieces of legislation, such as the "Mayoral Elections (Combination of Polls) Rules" set out in schedule 3 to the Local Authorities (Mayoral Elections) (England and Wales) Regulations 2007. I fear that I might refer to similarly exciting-sounding parts of the legislative book during this debate.

[Mr Harper]

Part 1 of new schedule 2 contains the following provisions, which I am sure that the Committee will be interested to note. Paragraph 3 provides that at a combined poll, a counting officer will be able discharge a number of the functions for which a returning officer would usually be responsible at an election. In short, it means that those functions that are discharged by referendum counting officers, such as the provision of polling stations, appointment of poll clerks and issuing of combined poll cards, will automatically determine practice at both polls. We have allowed for decisions on most core functions that relate to the conduct of a combined poll to be made at the discretion of the counting officer. That follows the approach taken in existing combination legislation that when polls are combined, certain functions in relation to the conduct of both polls are carried out by one officer.

There are two key exceptions. The printing of the ballot paper for the election polls will remain under the control of returning officers. Decisions about whether or not to combine postal ballot packs will be made through the counting officer agreeing a position with the relevant returning officer. The latter position ensures that decisions will be made in accordance with local needs. There are situations in which combining those postal ballot packs would simply not be practical and legislating for counting officers and returning officers to do things that are simply not practically possible does not seem to be very sensible.

Paragraph 5 provides that the cost of the combined polls will be equally apportioned between them. For example, in the case of a combined referendum on the voting system and local government elections in England, the cost would be split 50:50 between the Consolidated Fund and the local authority concerned.

Paragraph 9 permits the counting officer to decide whether combined corresponding number lists should be used for the combined polls. Paragraph 11 provides that the notice of poll for the combined elections should be published

"not later than the 15th day before the date of the poll."

The 15-day deadline is necessary to ensure that a consistent approach is taken for all the polls that we are combining on 5 May.

Paragraph 15 provides that the ballot papers used for the referendum must be a different colour from the ballot papers used for any combined poll, thereby preventing any risk that voters might confuse the ballot papers. Paragraph 16 provides clarity that the polling stations that the counting officer chooses for the referendum will be used for all combined polls taking place in the voting area.

4.30 pm

Paragraph 17 permits the counting officer, if he thinks fit, to combine the official poll cards for the referendum and all other polls, with the exception of parish elections. It is not possible to combine a parish election poll card with other poll cards, because in a parish election it is not known until the close of nominations whether it will be contested. As the majority of parish elections are uncontested, we have concluded, with advice from the Electoral Commission, that it would not make sense to delay issuing the poll card for all the other polls until after the nominations had closed for the parish elections. The rules for the other combined polls provide that poll cards can be issued as soon as practicable after the notice of referendum or notice of election has been issued. We have also included provisions that allow the counting officer, where the poll cards are combined, to adapt them in whatever manner seems necessary for the purposes of the combined poll.

Paragraph 18 permits the counting officer to decide whether the same or separate ballot boxes should be used for combined polls. Where separate ballot boxes are used, they are each to be clearly marked to show which ballot papers should be put in them.

Mr MacNeil: On the use of separate ballot boxes, if a voter happens to put both papers in one or other of the ballot boxes, will that be cleared up at the polling station simply by transferring the relevant paper to the right pile?

Mr Harper: Clearly, as is common with combined polls, the verification procedure, which I shall discuss later, will make sure that verification is complete for all polls before any election results are declared, so that there will not be problems if a whole load of ballot papers are suddenly found in the wrong box. That provision is fairly consistent with what happens now in combined elections.

Mr MacNeil: Will the Minister clarify that point? When he says "verification", does he mean "counting", with a declaration of the result after both polls have been counted, or does he mean that the papers will be separated to ensure that they are in the right place and that, in Scotland, votes for the Scottish Parliament will be counted and declared before people get around to counting and declaring the result of the referendum?

Mr Harper: I shall come to the order of counting in a while, but we have made it clear in previous debates that the election results should be counted first.

Mr MacNeil: And declared?

Mr Harper: Yes. The verification of both the referendum and election ballot papers will take place first; it will not be necessary to count the referendum papers at that point, but they will have to be verified to make sure that no election ballot papers have inadvertently been put in the wrong box. That is what happens with combined general and local elections now: local election votes do not have to be counted before general election votes can be counted and the result declared, but both sets of papers have to be verified to ensure that all the general election papers are in one place and that the result is accurate. That does not hold up the declaration of results, which, quite importantly for all the devolved Assemblies, will be wanted as soon as possible. When I come to that issue, the hon. Gentleman can jump straight in if he thinks I have not been clear.

Following our debate in Committee on 18 October, I confirm that a large-print version of the ballot papers for each of the relevant polls, including the referendum, must be displayed at all polling stations. Paragraph 20 provides that at a combined poll:

"The large version of the ballot paper displayed...must be of the same colour as the ballot papers to be used for the referendum."

Paragraphs 27 to 34 permit the counting officer to use the same copy of the register for each poll to combine the various lists that are produced for proxy voters, the votes marked by the presiding officer, the list of voters with disabilities assisted by companions and the tendered votes list.

Paragraph 36 sets out the procedure that presiding officers must follow at the close of poll. That includes rules on the packets that need to be made up and sent to the counting officer after the poll has closed. Provision is included to ensure that certain documents relating to each poll are not combined with documents relating to any other poll. That applies to unused or spoilt ballot papers, tendered ballot papers and certificates as to employment on the day of the poll.

Paragraphs 38 to 45 set out the Government's policy for the verification and count procedure at a combined poll. The combination amendment does not specify the timing of the count for any of the polls, to ensure that there is flexibility for votes on the ballot papers for the elections to be counted before those for the referendum. The combination rules for the verification and count process make it clear that once ballot papers have been received from polling stations, they have to be taken out of the ballot boxes and separated into piles for each poll. Before the votes on ballot papers for any poll can be counted, the counting officer or relevant returning officer must ensure that the ballot papers from a ballot box are mixed with the ballot papers for that poll from a different ballot box, and that postal ballot papers are mixed with ballot papers for that poll from a ballot box. If the counting of votes for any poll has not commenced by the time the verification process has been concluded, the ballot papers for that poll must be sealed up and retained by the counting officer in the case of referendum ballot papers, or delivered to the relevant returning officer, who will be responsible for storing the ballot papers securely until the count takes place.

Paragraph 46 provides that the verification process for all combined polls must have been completed before the declaration of any counts. Although we are aware that that may delay the declaration of a count, we believe that given the number of polls taking place the requirement is essential to ensure that all the ballot papers have been correctly accounted for, thereby ensuring the integrity of the count. Clearly, as with combined elections, having to do all the verification may mean that the result is a little delayed, but it will not mean that we have to wait for the referendum to be counted before the election count.

Paragraphs 48 and 49 set out the arrangements for ensuring that the counting officer and returning officer seal up all relevant papers in appropriate packets after the poll, and deliver them to the relevant registration officer. All documents that have been combined will be sealed together and sent by the counting officer to the relevant registration officer. Where it has been decided to use separate lists for each poll, the documents will be sealed in separate packets and delivered to the relevant registration officer by either the counting officer for the referendum or the returning officer for the relevant election.

We have specifically provided that in the event of legal proceedings arising on the referendum and/or relevant election, the court can make an order for the production of combined documents relating to the poll or polls.

Chris Bryant: I am grateful to the Minister for going through in some detail the large number of pages containing the amendments, new clauses and new schedules. The register for local elections in England will be different from the register used for the referendum, and from the register in Wales. The Government's provisions suggest that there should be just one register in each polling station and that some kind of mark will be made somewhere to suggest who has had, and who has not had, each of the ballot papers. Is he confident that that will meet the requirement to make sure that nobody has a ballot paper to which they are not entitled? How will the returning officer make sure that the list of voters who have voted, or who have been given ballot papers, is accurately provided to the regional counting officer and then the counting officer, as well as to the local authority?

Mr Harper: The hon. Gentleman makes an important point. We are confident that the provisions will work appropriately. Combining the referendum with the elections may be controversial—although more for issues relating to the mechanics of the election—but it is not as though we never hold combined elections. We hold combined general elections and local elections, which have different franchises. There may be the odd problem, but in the main they work well, so this is not a new departure for those who run elections. We are confident about the rules, which we reached after close working with the Electoral Commission, which is responsible for running the referendum, and the Association of Electoral Administrators, which is responsible for delivering elections. They are confident that we have come up with a set of rules that maximise the ability of all individuals on the ground to run a smooth set of combined polls on 5 May 2011.

Part 2 of new schedule 2 includes provisions for the issue and receipt of postal ballot packs. The provisions apply existing legislation and make the necessary modifications. When read together, they set out the Government's policy that the proceedings on the issue and receipt of postal ballot papers can be combined if returning and counting officers think fit. They also set out how the procedure works when papers are combined and when they are issued separately; the procedure and timing for the issue and receipt of postal ballot papers; the persons who are entitled to be present at proceedings on receipt of postal ballot papers for both the referendum and the relevant election; and the procedure for forwarding and retaining documents relating to the postal voting process—for example, postal voting statements, the proxy voters log and the postal voters list.

Part 3 of new schedule 2 sets out the combined forms that can be used for the purposes of the combined polls. The forms include corresponding number lists, postal voting statements, guidance for voters and a certificate of employment. As is the case for forms contained in the referendum rules, the Electoral Commission will be able to modify the forms for the purpose of making them easier for voters to understand or use.

I can confirm to the Committee that equivalent provisions with necessary modifications to take into account local needs have been provided for the combination of polls in Wales, Scotland and Northern Ireland under new schedules 3, 4 and 5.

Mark Tami (Alyn and Deeside) (Lab): Before we move off the subject, a person applying for a postal ballot might automatically assume that by doing so they will get one for all elections. Is that so, or must they apply separately for a postal ballot for each poll?

Mr Harper: I do not want to anticipate the debate that we will have on the proposals of the hon. Member for Rhondda, but we have said that someone's standing postal vote application for parliamentary elections will trigger their postal vote for the referendum. It is the same franchise, and we thought that that was a better way around the problem than insisting that all those with a standing postal vote application for a parliamentary election apply for a new postal vote specifically for the referendum. We wanted to maximise the opportunities for people to take part rather than have people who miss out because they did not realise that they needed to apply for a new postal vote. We have ensured that if people already have a standing postal vote for a parliamentary election, they will get one for the referendum.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): In response to my hon. Friend the Member for Alyn and Deeside (Mark Tami), the Minister specifically mentioned people who have a postal ballot for parliamentary elections. My recollection of the paperwork that is issued in Scotland is that electors tick boxes to say that they want a postal ballot for all elections. That might seem like a nit-picking point, but will the Minister confirm that by ticking a box marked, "All elections," people will be entitled to receive a postal ballot for the referendum?

Mr Harper: My understanding is that if people are entitled to, or have applied for, a postal vote for a parliamentary election and tick the box marked "All elections"—that is a common way of asking that question in England as well as in Scotland—and if they are on the list for parliamentary elections, they will get a postal vote for the referendum. I am sure that if I have got that wrong, inspiration will strike me and I can correct my answer.

Andrew Gwynne (Denton and Reddish) (Lab): Of course, in England on 5 May, we will have not parliamentary elections, but local elections. What assessment has the Minister or the Cabinet Office made of the number of people who are registered only for council election postal votes?

Mr Harper: Clearly, we do not need to have a parliamentary election—registration for a permanent postal vote for a parliamentary election will automatically trigger the postal vote for the referendum. What happens if a person is registered for a postal vote only for local elections depends on whether the postal ballot packs are combined.

Mr Tom Harris (Glasgow South) (Lab): Can the Minister clarify the situation for next May? Is it conceivable that large numbers of voters in England—this probably will not happen in Scotland—will be sent automatically the referendum ballot paper but not a council ballot paper? People might have to go to the polling station to vote for their councillor, and yet be able to vote only by post in the referendum. Has the Cabinet Office made any calculation of how many people that will affect?

Mr Harper: If we were not having a referendum and were having only local council elections in England—I shall refer to England, as that is what the hon. Gentleman's question was about—people would not get a postal vote if they had not asked for one, or if they were not registered for a permanent one. If they were registered for a postal vote for a parliamentary election, that would come automatically, but that would not in any way reduce their ability to participate in local elections, as they had not asked for a postal vote.

Several hon. Members *rose—*

Mr Harper: Let me take the intervention from the hon. Member for Glasgow South (Mr Harris), as I am responding to his point.

4.45 pm

Mr Harris: There is a corollary to what the Minister says, then. If people are registered to vote by post for a parliamentary election, and they then receive the ballot paper for the AV referendum, is it not likely that they will fill in that ballot paper without going to the polling station in order to cast a vote in the local council elections, thereby deflating turnout in the local council elections, which are extremely important?

Mr Harper: I am not sure I agree with the hon. Gentleman. I am not sure that voting in the referendum by post would make someone less likely to go and vote in their local council elections, as long as they were clear about what was going on. We have been clear, and the Electoral Commission has been clear—

Andrew Gwynne *rose—*

Mr Harper: Let me finish responding to the intervention before I take another one. It is important that people are clear about what is going on. The Electoral Commission has said that one of its key responsibilities, as well as running the referendums, is to make sure that clear guidance is issued to those conducting elections and that there are clear communications to electors. The commission will send a booklet to every household to explain to people the elections and referendum that are taking place, so that people are clear about what is happening. The point raised by the hon. Member for Glasgow South is well made.

Andrew Gwynne: My concern is the opposite to that of my hon. Friend the Member for Glasgow South (Mr Harris). Plenty of people in England will be registered for a local election postal vote, but not necessarily for a parliamentary election postal vote. They will get a ballot paper for the 5 May council elections, but not for the referendum. How is that right?

Mr Harper: Well, because they are not registered for a parliamentary ballot. The reason for making those equivalent is that the referendum is taking place on the Westminster parliamentary franchise—

Chris Bryant: No, it is not.

Mr Harper: Plus peers; and it seems that using those who have asked for a postal vote for that type of election, given that we are talking about changing the voting system—

Chris Ruane (Vale of Clwyd) (Lab): Resign!

Mr Harper: If resignations were based on that level of accuracy, there would not have been any members of the previous Government in post for longer than about a week, so we will have no more of that.

Chris Ruane: I thank the Minister for giving way. Right, here we go: what would happen in Wales if an elector were registered for a postal vote at European elections, not for a postal vote at parliamentary elections, for a postal vote at Welsh Assembly Government elections, and for a postal vote at local government elections? Whatever the Minister says, will the public understand it?

Mr Harper: If such a voter had elected to register for a permanent postal vote for every possible election except a Westminster parliamentary one, they would clearly have had a good reason for doing that, so our proposal that the UK parliamentary franchise be used makes sense. I do not think the hon. Gentleman makes a sensible point.

Chris Ruane: I left out town council elections.

Mr Harper: I think my answer stills stands.

Ms Louise Bagshawe (Corby) (Con): Does my hon. Friend agree that there is deliberate obfuscation going on, given that some citizens eligible to vote in local elections are not necessarily eligible to vote in Westminster elections—for example, European nationals, whom we would not wish to vote in the referendum anyway? Contrary to the intervention by the hon. Member for Glasgow South (Mr Harris), is not one of the biggest predictors of voting whether someone has voted before? Is not the existence of the referendum therefore more likely to increase, rather than depress, turnout in local elections?

Mr Harper: My hon. Friend is spot-on. To be frank, I think that voters are perfectly capable of working out what elections or referendums are taking place. Voters in Wales will have had some warm-up practice in March, because they will have had an important referendum on the powers that the Welsh Assembly Government should have. They will therefore have had the opportunity to think about whether they want an absent vote. That will mean, I am sure, that at the front of their minds, as they approach the elections and referendum on 5 May, they will be thinking hard about whether they will be around and able to vote in person, or whether they should apply for an absent vote. At least in Wales, therefore, what the hon. Member for Glasgow South suggests might happen is unlikely to do so.

Now, where did I get to? *[Laughter.]* There have been so many interventions. I suspect that it was nice for everyone to break up the monotony of my voice reading out these exciting provisions, so I am happy to have taken those criticisms from the Committee.

Given that the provisions in schedules 3 to 5 are largely consistent with those I have outlined for England, I am sure that the Committee will be relieved to hear that I do not intend to go through their contents in the same detail. However, I will go through some of the key provisions we have made for Scotland, Northern Ireland and Wales. As I confirmed earlier, we have amended the definition of a voting area for the referendum as it applies in Scotland and Wales to provide that the referendum is to be run on the same respective boundaries as Scottish parliamentary and National Assembly for Wales elections. That will help with the administration of the elections, as the officials involved in delivering them have said.

We have kept the provisions on the timing of the count silent in the legislation to allow sufficient flexibility for the counts for the devolved elections to take place prior to the referendum count. We have based the postal voting provisions in part 2 of schedules 3 and 4 on those that apply for Welsh Assembly and Scottish parliamentary elections, making modifications where necessary to take account of the referendum. That will ensure that small differences in regional practice on postal voting will carry through to the referendum.

Chris Bryant: But why? Why should there be variations in postal vote practices around the country for a UK-wide referendum?

Mr Harper: It is because we are combining it with elections that are different in different parts of the UK. Picking up on points that hon. Members were making earlier, I can say that the poll cards issued will confirm the voting arrangements that will apply to a particular elector for each poll. They will explain to electors the arrangements in place, and people will be able to apply to the registration office to vary their postal voting arrangements up until 11 days before the poll, or six days before the poll where a proxy vote takes place. That will be helpful.

The Committee will want to be aware—certainly the hon. Member for Rhondda will—that I can confirm that all the new orders have been laid by the territorial offices today to update the rules for the elections to the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales. Given that the combination amendments just discussed are based on existing legislation, as is usual practice, any consequential amendments reflecting those new territorial orders will be tabled for debate on Report next week, as I said last week.

Pete Wishart (Perth and North Perthshire) (SNP): Will the Minister detail to the Committee what discussions and consultation he has held with the Scottish Government, the Welsh Assembly and the Northern Ireland Assembly prior to the orders being laid?

Mr Harper: I am not sure whether the hon. Gentleman was here when we had a slight rehearsal of this discussion at the beginning of our sitting, but the hon. Member for Rhondda asked me what discussions I had had about the conduct of the referendum in the devolved nations and about the arrangements for the combined polls, and I made the point to him that arrangements for elections in Scotland, Wales and Northern Ireland are the responsibility not of Ministers in the devolved nations, but of the territorial Secretaries of State.

I also pointed out to the hon. Gentleman that I had written to explain how we would lay and handle the combination amendments. I wrote not just to Opposition Front Benchers and Members who had expressed an interest, but out of courtesy to the leaders of every party represented in the devolved Parliament and Assemblies in order to keep them confirmed.

[Mr Harper]

I said also that my right hon. Friends the Secretaries of State for Scotland, for Wales and for Northern Ireland have had discussions with representatives of the Administrations in each country about the combined elections, although it is fair to say that they all said to me—I shall not go through the issue in detail, because we had this debate at length on day one of Committee—that they were not happy with the combined poll.

Pete Wishart: Is it fair to characterise the Minister's response as "No consultation with the Scottish Parliament, Welsh Assembly or Northern Ireland Assembly"? Would that be roughly right?

Mr Harper: No. The conduct of elections is currently the responsibility of the territorial Secretaries of State. I also made the point to the hon. Gentleman's colleague, the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), who was here at the beginning of our sitting, that with the Calman recommendations, the administration of elections in Scotland is proposed to be devolved to the Scottish Government. Clearly, if such elections were to take place in future, the Scottish Government would be very involved, but at the moment the responsibility for the administration of each election is that of the Secretary of State, not of the devolved Administrations.

Mr George Howarth (Knowsley) (Lab) *rose—*

Margaret Curran (Glasgow East) (Lab) *rose—*

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op) *rose—*

Mr Harper: Let me give way to those Members in the order that they rose: to the right hon. Gentleman and then to the hon. Ladies.

Mr Howarth: Given the procedure that the Minister has just described, can he assure me that under the orders to which he has referred, the process in Scotland, for example, cannot differ from that in England, Northern Ireland or Wales? If it can, it might change the terms on which people in each part of the United Kingdom are able to engage in a referendum.

Mr Harper: I am not sure that I follow the right hon. Gentleman. Clearly, there will be some differences. One difference I outlined is that, because the referendum is being combined in Scotland with Scottish parliamentary elections, the voting areas and conduct of the elections will be based on Scottish parliamentary constituencies. That will clearly be different in Wales, where they will be based on Welsh parliamentary constituencies, and in England the referendum will be conducted according to local government boundaries, all so that we can combine the elections in the most sensible way, which is what the administrators wanted us to do.

Mr Howarth: I understand that, but I had in mind the question: is there any way in which the qualification for taking part in a referendum might inadvertently be changed by that process?

Mr Harper: No. The franchise—those who can take part in the referendum on the voting system—are those people entitled to vote in Westminster parliamentary elections and, before the hon. Member for Rhondda jumps up, the small amendment that we have made, the addition of peers. The franchise is the same throughout the United Kingdom, so those entitled to vote in Westminster elections will be able to vote; the issue is simply to do with the mechanics of administering the polls to ensure that the elections are conducted using the most administratively sensible process.

Margaret Curran: The Minister may not be aware, but I am still a Member of the Scottish Parliament, and I feel obliged to point out to him that throughout the Parliament there are concerns about the coalition Government's decision to hold the referendum on the same date as Scottish Parliament elections. People across the political spectrum in Scotland profoundly feel that that is a great disrespect to the Scottish Parliament, and I say that with great authority.

Mr MacNeil: More nationalism, more nationalism.

Margaret Curran: This is not a nationalist point, and I hope that the coalition does not dismiss the feelings to which I have referred as the marginal voice of nationalism in Scotland. The view is widespread throughout Scotland, and mainstream parties such as mine also hold it. However, I am concerned that in response to the question from the hon. Member for Perth and North Perthshire (Pete Wishart), the Minister seemed to imply that, because the Scottish Parliament does not have responsibility for the elections at the moment, it is not a key stakeholder in the ongoing discussions—

The First Deputy Chairman: Order. This intervention is longer than some of the speeches that I have made in this House—

Margaret Curran *rose—*

The First Deputy Chairman: Please resume your seat.

Mr Harper: I am grateful, Mr Evans: I had got the hon. Lady's point. I am not trying to minimise her concern, but I note that none of the devolved Parliaments or Assemblies has passed any formal motions or resolutions expressing that view to this House.

5 pm

The hon. Lady raises two issues, one of which is about the combination of the referendum with the elections next year. We know about some of the views on that, because they were expressed when my right hon. Friend the Deputy Prime Minister made his statement on 5 July, in the Second Reading debate, and in the lengthy debate that we had about the coincidence of the dates on the first day of Committee. The Government take the view that voters are perfectly capable of making the distinction between referendums and elections, and this should not affect the ability of the election campaigns to take place. We have recognised, though—

Chris Bryant *rose—*

Mr Harper: If the hon. Gentleman will forgive me, I will come to him when I have completed this point.

We recognise that there is a different qualitative issue raised by the combination of the general election and these elections. As I have said in previous debates, we

are thinking about how that issue may be dealt with, and we will come back to the House and the devolved Administrations in due course.

Mr MacNeil *rose—*

Cathy Jamieson *rose—*

Mr Harper: Let me take the hon. Member for Rhondda first.

Chris Bryant: It seems extraordinary that the Government are taking this attitude in relation to consulting the devolved Administrations about their own elections. I fully understand that they do not have legislative competence for that matter—it is a competence reserved to Westminster—but it would be common human decency to be able to consult them. In the past, the Minister has tried to argue that he wanted to tell this House before he told anybody else. However, he knows perfectly well that through the Joint Ministerial Committee there are provisions for the Government to speak to the Welsh Assembly Government, the Executive in Scotland and so on. There is no reason why he could not have used those processes perfectly well.

Mr Harper: The hon. Gentleman should know that those processes have been used. The matter has been raised at the JMC. I am thinking back to—

Cathy Jamieson *rose—*

Mr MacNeil *rose—*

Mr Harper: Hang on: let me deal with one intervention at a time.

My understanding—I am sure that this is the case—is that this issue has been raised at the JMC; I am sure that I will be corrected if it has not. Moreover, one would be having these conversations not only with the Administrations but with the Parliaments and Assemblies themselves. I know that some of those conversations have taken place. For example, my right hon. Friend the Secretary of State for Wales has had a communication from the Presiding Officer of the Welsh Assembly making it clear that its Members did not want the date of the Assembly election changed.

Cathy Jamieson: I think that the Minister said that the Scottish Parliament and the other devolved Assemblies had not taken a formal position by means of passing a resolution. Is he therefore suggesting that should, say, the Scottish Parliament pass such a resolution, he would change his mind?

Mr Harper: No, I was not suggesting that at all; I was simply making the point that they have not done so. However, let me save them time and trouble by saying that if they do, it will not make us change our minds, so they can focus on the important issues that voters will be concerned about.

Mr MacNeil: Does the Minister find it a bit rich—I know I do—that Labour Members, particularly those who are still Members of the Scottish Parliament, argue day in, day out against more powers for the Scottish Parliament, yet suddenly, when party politics are involved, try to score points by saying that they want more powers for the Scottish Parliament? They should stick to their principles and not play party politics with the issue when they are here. We should give power to the Scottish Parliament similar to that for the Isle of Man, at the very least.

Mr Harper: I am very grateful to the hon. Gentleman. I will not add to his point, but I am now slightly envious that I am not a Member of the Scottish Parliament too, and so cannot indulge in such debates on a daily basis. I now know what I am missing out on by not participating in Scottish politics.

In answer to the hon. Member for Rhondda, I can confirm that these issues have been discussed at the JMC. If he does not believe that they have, I will happily write to him and give him the details.

Chris Bryant: To be honest, I do not want the Minister to write to me, I want him to consult the respective Executives in—*[Interruption.]* The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) should calm down. The Government are ensuring that he has his own rotten borough, so he does not have to worry about the Bill.

I want to ensure that consultation happens properly. We rightly insist that before any European Union legislation is brought in we should have 10 weeks to do our proper parliamentary duty, and the same should apply to the Welsh Assembly, the Scottish Parliament and the Northern Ireland Assembly. The Minister is deliberately eliding two concepts. Raising the matter at the JMC is one thing, but consulting expressly on written documents, which has not happened in relation to any of these issues, is something else altogether.

Mr Harper: The hon. Gentleman said that he wanted to ensure that these issues had been discussed, and they have been raised and discussed at the JMC. The devolved Administrations probably still disagree with the Westminster Government's decision, but the matter has been discussed. He is not making a very sensible point.

Mark Tami: Would the Minister not agree that Scotland in particular has experience of holding polls on the same day, and that problems have resulted?

Mr Harper: It certainly does have that experience, which is why we looked closely at the conclusions in the Gould report. In an earlier debate I made it clear that although Ron Gould—he of the said report—said that combination would not have been his first choice, he was clear that combining a simple yes/no referendum and the Scottish parliamentary elections was likely to be a much more straightforward proposition than what happened in the elections to which the hon. Gentleman refers. Ron Gould did not believe that the same problems would occur.

Jim McGovern (Dundee West) (Lab): I can assure the Minister that I am not going to rant and rave like the hon. Member for Na h-Eileanan an Iar (Mr MacNeil). The Minister says that a referendum and a parliamentary election on the same day are acceptable, but that seems to imply that only two votes will take place on the same day. However, there will be a first-past-the-post vote for the Scottish Parliament, a list vote for the Scottish

[Jim McGovern]

Parliament and a referendum. He is possibly misleading Parliament—not intentionally—by implying that there will be only two votes.

Mr Harper: No, we have added one extra vote to what would otherwise have taken place, and it will have a simple yes or no question rather than a complex electoral system. Like the hon. Member for Na h-Eileanan an Iar in an earlier debate, the hon. Member for Dundee West (Jim McGovern) is doing his fellow Scots a disservice by suggesting, albeit obliquely, that they are not capable of making a decision in the referendum as well as voting in the very important Scottish parliamentary elections.

Mark Tami: Does the Minister not recognise that candidates standing in the Welsh Assembly and Scottish Parliament elections could take various lines about whether they are pro-AV or anti-AV? There is still a lot of scope for a very confusing situation.

Mr Harper: No, I do not think there is, actually. People are perfectly capable of laying out the prospectus on which they stand and the important issues on which they are campaigning in the elections to the Welsh Assembly, Northern Ireland Assembly and Scottish Parliament, and also joining the yes or no campaign on a voting system for this Parliament. That is not very complicated at all, and our voters will show us that we are underrating them if we take that view. Incidentally, next week, Americans will vote in an extraordinary number of elections—I shall pursue that thought only briefly, Mr Evans, for fear that you will rule me out of order—and they are perfectly capable of doing that, in the same way as voters here are perfectly capable of voting in two or three sets of elections next year.

Chris Bryant: The Parliamentary Secretary knows that the system that evolved in the United States because they have so many elections at the same time means simply pulling a Democrat or a Republican switch. Surely he does not intend to move to that system.

Mr Harper: Not at all. Many voters give much thought to whom they will support in different elections. There are many examples of people voting differently in different sorts of elections, doing what they call splitting the ticket.

Mr McCann: Will the Parliamentary Secretary focus on the pertinent point about the 2007 elections in Scotland? Many elderly voters are extremely confused. I have many elderly constituents who are proud of having voted in every election since they were given the opportunity to do so. The introduction of new voting systems in 2007 made the ballot papers confusing for them, and they were disturbed by that. Does the hon. Gentleman accept that holding another vote on the same day as the Scottish elections will provide scope for confusion, and many people will therefore be disfranchised in the referendum?

Mr Harper: The hon. Gentleman would have a stronger point if we were talking about another set of elections with a new voting system, and putting everything on one ballot paper. However, we have examined the lessons in the Gould report and want to ensure that we combine the elections in such a way as to minimise the opportunity for confusion. Ron Gould said that combining elections would not be his preference—I am quoting him fairly—but he is confident that the scope for confusion is nothing like the situation in 2007. He is fairly confident that the elections and the referendum will be organised sensibly and competently. I think that our combination provisions achieve that.

Several hon. Members *rose—*

Mr Harper: I will take one more intervention and then finish, because I am almost there. Hon. Members can then make their own speeches.

Mr McCann: I am very grateful to the Parliamentary Secretary for giving way again. Does not he accept that in Scotland we will have a first-past-the-post election for the Scottish Parliament, the alternative vote system, and then we must explain to people that there is also a yes/no vote? It would be fine if we had only the yes/no vote—that is straightforward—but there are additional complications. Does not the point that he has just made concede my point? That is the point that he must grasp.

Mr Harper: No, because no new electoral systems will be invented next year. People will vote in the Scottish Parliament elections in the same way as they did previously, with the addition of a relatively simple yes or no question on the voting system for this House. Voters may prove us wrong, but I think that they are perfectly capable of making such decisions at the same time as voting in Welsh Assembly, Scottish Parliament or English council elections, and of differentiating the polls. Clearly, that requires good organisation on the ground and good communication. The Electoral Commission is aware of that; that is why it will write to every household to set out clearly in each of the devolved parts of the UK details of the elections that are taking place, the referendum and the procedures, so that people are clear about it. The yes and no campaigns obviously bear part of that responsibility too.

Several hon. Members *rose—*

Mr Harper: I have dealt with the point that the hon. Member for East Kilbride, Strathaven and Lesmahagow (Mr McCann) made, perhaps not to his satisfaction, but at length. I have a few more sentences and I am done. Hon. Members can make their own speeches then. I have been reasonably generous in giving way.

The territorial orders were tabled today. When the Committee stage is complete we will table the amendments, as I promised hon. Members last week, so that the House can debate them to reflect the new territorial orders—

Chris Bryant: How?

Mr Harper: The territorial orders have been laid before the House, and are therefore available to Members. They are not amendable, but it is possible for the House to vote them down, in which case we would simply revert to the combination provisions that we are discussing. If the House votes for them, and for our amendments next week, we will have been able to debate all the rules that will be in place next year, and will not have left it to their lordships.

Chris Bryant: However, neither the Joint Committee on Statutory Instruments nor the Merits of Statutory Instruments Committee in the House of Lords has yet considered the orders. I presume that the House will not consider the three territorial orders in Committee this week, nor will the House have disposed of them among the remaining Orders of the Day before next Monday. It surely cannot be possible to table amendments to legislation regarding other legislation that has not yet come into existence.

5.15 pm

Mr Harper: As I set out earlier in this debate, clearly it would not have been sensible for us to table changes to the Bill to reflect orders that had not yet been laid before the House, but they have been laid before the House today, so—*[Interruption.]* The hon. Gentleman says that they have not been agreed. I have said that they have not been agreed, but they have been laid before the House—both of them under the affirmative procedure, so they have to be voted for. If this House or the other place were to vote them down, we would revert to the rules that exist already. We would then be able to go back to the provisions that I am explaining today, which will have been debated in this Committee. Either way, this House will have had the opportunity, on this Bill, to debate the provisions that will be in place for elections next year. That is what I committed to arrange, and that is important.

Chris Bryant *rose—*

Mr Harper: I know that the hon. Gentleman is going to find whatever convoluted way he can to try to pretend that that is not the case, but on any reasonable reading of the situation, we have ensured that before the Bill leaves this place, this House will have had the opportunity to debate the provisions, rather than leaving that to the other place.

Chris Bryant *rose—*

Chris Ruane: Go on Chris, convolute it.

Chris Bryant: It does not need to be convoluted; it is pretty straightforward. I presume that the Minister will agree with me that the law on combination of polls in Scotland, Northern Ireland and Wales next Monday will be precisely the same as it is today, so we will not be able to debate amendments to anything other than speculative legislation that will not have been carried by then and will therefore not be the law.

Mr Harper: It is correct that that legislation will not have been carried by the House, but it will be available for Members to debate. There are two scenarios: either the House will approve the orders that my right hon. Friends have laid before the House today—in which case the amendments that we will table once the Committee stage is finished, which we will debate on Report next week, will come into force—or the House will vote those orders down, in which case we will revert to what we are talking about today. In either situation, this House will have had the opportunity to debate those provisions—I suspect at length—and they will therefore not be left to the upper House.

We have tried hard to ensure that the elected House has been able to debate both the provisions on the referendum and those on boundaries. If I remember rightly, in the previous Parliament, in which I served, the Government of whom the hon. Gentleman was a member were not so fastidious about ensuring that this House was able to debate provisions. Significant pieces of legislation went to the other place without any debate at all on enormous portions of it. To the extent that it has been within the power of the Government, we have taken great care to ensure that by the time this legislation leaves this House next Tuesday, all the key issues will have been debated and voted on by this House. We may not have achieved perfection, but we have made a pretty good stab at it, and I have to say—honestly—that what we have done is a considerable improvement on much of what the previous Government did. I would ask Members to bear that in mind.

The provisions on postal voting in local elections in Northern Ireland are changed substantially by one of the orders laid today, so it would not have been sensible to deal with that in the current group of amendments. However, to finish on a point that I hope will bring the hon. Gentleman great cheer, I can confirm that no amendments will be necessary in relation to the combination provisions for Wales, as the changes to be made to the rules governing the conduct of the Welsh Assembly elections do not affect any rules relevant to combination with the referendum. On that note, which I am sure will gladden his heart, let me conclude by saying that the combination provisions that we have provided are necessary for the smooth running of all the polls that are scheduled to take place next May.

Chris Bryant: I am grateful to the Minister for giving us some of the detail on the amendments, although he has not given all of it, which is significant. I would like to start by picking up where he finished—on the due process that needs to be followed in relation to anything when it reflects the representation of the people, constitutional matters, or the constitutional relationship between Westminster and the devolved Administrations, but which has not, I believe, been followed in this case.

Of course, there should first be pre-legislative scrutiny, but, as we have heard, the Bill has had absolutely none. It is true that the Government published the Bill, but it exists not because of some grand constitutional principle but because of some naked partisan gerrymandering of a Bill. I am sure that if it had been published in pre-legislative form, so that a Committee of this House or a Joint Committee of both Houses had been able to consider it, that Committee would have said, right at the beginning, "You shouldn't be spatchcocking together these two elements of the Bill"—*[Interruption.]* Or, "You shouldn't be kebabbing the legislation in this way." The Parliamentary Secretary helps me. It is not really spatchcocking; it is more kebabbing. It requires more of an inner-city image than a rural image; he is quite right.

Chris Ruane: Why does my hon. Friend think there has been such undue haste in rushing the Bill, or Bills, through the House?

Chris Bryant: This is entirely speculative, but it might be something to do with the Bill acting as the Araldite that holds the coalition together. The fact is, however, that the Deputy Prime Minister—or Sandie Shaw, as we

[Chris Bryant]

normally know her, or him, now—is so Araldited to the Prime Minister that there is probably no need for the Bill to be introduced in precisely this way.

There should have been pre-legislative scrutiny of the Bill. I am sure that a Joint Committee would have said that it should not have been constituted in this way, and that it was inappropriate to try to foist combined polls on Wales, Scotland and Northern Ireland when they had expressly said that they did not want a combination of a referendum and their own elections, especially in Northern Ireland, where on the same day there will be local elections as well as Assembly elections. I am pretty certain that such a Committee would have found that inappropriate.

Indeed, we can be pretty confident of that because the Political and Constitutional Reform Committee, which is chaired by my hon. Friend the Member for Nottingham North (Mr Allen), made it absolutely clear that it believed that it had not had enough time to consider the Bill before it suddenly had its Second Reading. The Select Committee had only five days in which to read the Bill and to get constitutional experts to talk to its members and provide evidence. Those witnesses themselves thought that it was inappropriate that such haste was being adopted.

Owen Smith (Pontypridd) (Lab): May I draw my hon. Friend's attention to the report from the Welsh Affairs Committee that came out today? No doubt he will already have read it in detail. It reaches precisely the same conclusion as he has drawn. The Committee has a Government majority, but it nevertheless concluded that the Bill was being railroaded through with undue haste, and with completely insufficient scrutiny by this House. It also believed that it would have a significant constitutional impact on Wales. Does my hon. Friend agree that this is a disgrace?

Chris Bryant: I do not agree with my hon. Friend if he is suggesting that the Committee's report is a disgrace, because it is excellent in highlighting the implications for Wales of the Government's proposals on constitutional reform. But my neighbourly Friend makes a good point: the Committee is not comprised of rabid left-wingers—or, for that matter, entirely of members of the Labour party—and those who voted on this matter, those who turned up, were predominantly Conservatives. In fact, one of them is now a Parliamentary Private Secretary. Many of us deprecate the fact that there are PPSs sitting on Select Committees, but I note that the PPS who sits on this one chose to absent himself from the vote. I can presume only that that was because he agreed with the findings of the Committee. My hon. Friend the Member for Pontypridd (Owen Smith) is absolutely right to say that the Committee makes it clear that there has not been adequate scrutiny of the Bill, particularly in regard to Wales. It also makes the wider point about the amount of time that has been allowed in general.

Mr Wayne David (Caerphilly) (Lab): Will my hon. Friend give way?

Chris Bryant: I will of course give way to my other neighbourly Friend.

Mr David: My hon. Friend has many neighbourly friends. He puts his finger on a crucial point about the speed with which this Bill is being introduced. Does he agree that not only that a number of Conservative Members sit on the Welsh Affairs Committee but that, significantly, its Chairman is a Conservative?

Chris Bryant: Yes, and I not think anybody could call the Committee's Chair a patsy. He is a man of fierce independence—sometimes overly fierce, and sometimes overly independent—and the Select Committee's findings were extremely clear. It reported:

"The Government is determined to pass this legislation quickly in order that the referendum on the Parliamentary electoral system can take place in May 2011. However, we agree with the Political and Constitutional Reform Committee",

which, incidentally, does not have a Labour majority on it either,

"that the Bill has been given insufficient time for proper scrutiny."

It continued:

"The Welsh Grand Committee gives all Welsh Members the opportunity fully to debate issues relating to Wales. That the Parliamentary Voting System and Constituencies Bill impacts significantly on Wales is clear. In the light of this, we consider the Secretary of State for Wales's decision not to convene a meeting of the Welsh Grand Committee in this instance to be very disappointing."

Conservative Members are attacking a Conservative Secretary of State for Wales. It seems extraordinary that the Committee has not had an adequate opportunity to consider the Welsh element of the Bill, particularly the Welsh elements that are before us this afternoon, which are extensive.

Let me make another point about the proper process that should have been observed. We believe in pre-legislative scrutiny and consultation on any constitutional Bill, but this Bill additionally affects elections in Wales, Northern Ireland and Scotland. The previous elections for the Scottish Parliament led to significant problems, which my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Mr McCann) mentioned. This shows how important it is to have proper consultation with each of the devolved Administrations. By that, I mean, first and foremost, consultation "from Government to Government" as it were—that is, the Westminster Government speaking to the Scottish Executive, Ministers in Northern Ireland and to the Welsh Assembly Government. That could have happened confidentially on a "Government to Government" basis; there is absolutely no reason why that should not have happened.

As I understand it, prior to the comprehensive spending review, extensive confidential discussions took place between relevant Ministers so that Ministers in Wales, Scotland and Northern Ireland knew more than this House did about what elements would affect their budgets. I have no complaint about that happening with the comprehensive spending review; my argument is that it should apply to the devolved Administrations in respect of this Bill.

Mr Harper: As I have said in response to interventions from other Members, the devolved Administrations—and even the devolved Parliaments and Assemblies—do not have a role in delivering elections. Although, as I have said, the position will change for Scotland, the Secretary of State is responsible for administering elections. The

hon. Gentleman may not like that, but it is the position and we have worked closely with the territorial offices to ensure that procedures for the referendum work closely with the procedures for elections. That is the position.

Chris Bryant: Of course I understand the legal position. Local elections may or may not be happening at the same time in Scotland, Northern Ireland and Wales—they will happen across Northern Ireland but perhaps only because of a by-election in Scotland or Wales—but the Assemblies have a degree of responsibility for the conduct of the elections to the Welsh Assembly, the Scottish Parliament and the Northern Ireland Assembly. The Bill decouples the Welsh Assembly constituencies from the parliamentary constituencies so that the Government are able to reduce the number of seats in Wales by 25%. I would have thought that that creates an additional need to consult.

I think that there should have been consultation at two levels. There should have been a degree of consultation at ministerial level, but, because these issues affect the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly in their entirety, it would have been common courtesy to consult the Assemblies and the Parliament as Assemblies and a Parliament. In respect of European legislation, we now have a standard and proper process of consultation between the relevant European Committees in the House of Commons and in Scotland, Wales and Northern Ireland. In respect of the Bill, however, there has been no adequate consultation either with the Parliament and Assemblies or with Ministers.

5.30 pm

Mark Tami: The point, surely, is not who has the legal responsibility, but who has the experience. There should have been plenty of consultation—certainly in Scotland—enabling Ministers to learn from that experience, and to decide on the basis of it whether it would be appropriate to hold the referendum and elections on the same day.

Chris Bryant: Obviously that is the case. I should have thought that, given that none of the Ministers in either of the teams affected represents a Welsh, Scottish or Northern Ireland seat, it would have been more important for them to consult the relevant devolved Administrations just to be able to get the position right.

Cathy Jamieson *rose—*

Jim McGovern *rose—*

Chris Ruane (Vale of Clwyd) (Lab) *rose—*

Chris Bryant: I will give way to Scotland, and then to Wales.

Chris Ruane: Scottish female or Scottish male?

Chris Bryant: Scottish female.

Cathy Jamieson: Was it not worrying to hear the Minister say that even if the Scottish Parliament passed a resolution that made clear that it did not support the Bill, he would not take account of that and would not change his mind in any way?

Chris Bryant: The Government came to power arguing that coalition politics were somehow better for Britain. Whatever we may think of that proposition, if they are then not prepared to extend the courtesy beyond the internal dynamics of the coalition to others who are engaged in the political endeavour, they have let down their own basic first principles.

Of course the wish to foist a referendum on the same day as elections elsewhere is extraordinary, especially given that the people who now sit on the Government Benches are the people who criticised the Labour party most for the way in which the last combination of elections took place in Scotland.

Chris Ruane *rose—*

Jim McGovern *rose—*

Chris Bryant: I will give way to a Welsh man, and then to a Scottish man.

Chris Ruane: Does my hon. Friend agree that the way in which the current Administration have dealt with the devolved Administrations in Scotland, Northern Ireland and Wales—

Mark Tami: What about the respect agenda?

Chris Ruane: This is my intervention, if my hon. Friend does not mind!

Are not the Secretaries of State for Northern Ireland, Scotland and Wales behaving more like governors-general than Secretaries of State?

Chris Bryant: To be honest, I think that they are behaving more like satraps.

I think it extraordinary that there has not been proper consultation, and I do not understand why the referendum has to be held in May next year. It is pretty clear that in the respective Governments, Assemblies and Parliaments there is a firm view that it should not take place at the same time as the elections. Although most people in Wales do not view a Welsh Assembly election in quite the same way as a general election for the whole United Kingdom, many will refer to it as a Welsh general election. That is why it is so extraordinary that the people of Wales and Scotland and Northern Ireland have not been shown the same degree of respect as would have been extended to anyone else. That, I think, slightly betrays the rather London-centric view of the Government. I suspect that if there were a free vote on the Bill, many fewer Conservatives and Liberal Democrats would vote for it than will go through the Lobby later today. In particular, I should be surprised if a single Welsh Member voted for it.

I think that my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) wants to intervene. Oh no, I am sorry—I am giving way to a Scottish man next.

Jim McGovern: I thank my hon. Friend for giving way. He mentioned that some of his constituency neighbours are also his political friends. I hope I will be able to stand up and say that one day, because at present not many of my political neighbours are political friends.

[Jim McGovern]

As I am sure my hon. Friend will be aware, the local government elections in Scotland have been moved back a year to ensure that they do not conflict with the Scottish general election. Government Members claim it is offensive to the intelligence of the Scottish people to say that holding polls on the same day would be confusing, but it is offensive to the author of the Gould report for them to say they will not accept his recommendations.

Chris Bryant: I completely agree with my hon. Friend, and I hope that one day he will have more friends in neighbouring constituencies, which I think means that we will have to win some more Labour seats in Scotland. The key point is that, on the whole, it is better not to combine polls. I fully accept that the Minister has referred today—as have several other Members in previous debates—to the situation in the United States of America. It has an election day and the vast majority of elections are held on one single day. We have not gone down that route, and thus far it has been thought to be inappropriate to combine them on the same day, especially where a variety of different electoral systems are involved. I hope to come on to some of the specific problems of that.

Angela Smith (Penistone and Stocksbridge) (Lab) *rose—*

Chris Bryant: I give way to an English woman.

Angela Smith: I thank my hon. Friend for giving way to an English woman on this point. Does he agree that in this instance it is not just that two different polls are to be held on the same day, but that one of them is an election and the other is a referendum, and as referendums have completely different processes from those for elections, that will complicate things and could well cause confusion?

Chris Bryant: Indeed, and I will come on to some of the specific problems that could arise. My hon. Friend did not add, however, that they are on completely different franchises as well. The Minister seems to think that the franchise for the next general election will be the same as the franchise for the referendum. They will not be, however, because of the inclusion of peers in the referendum. It has to be said that we do not have many peers in the Rhondda, however. We have one: Baroness Gale of Blaenrhondda who, unfortunately, is in hospital at the moment—she is across the road at St Thomas'—and I wish her well. There will be confusion in respect of the different franchises and issues such as whether we have the same register or two registers, and I will talk about those specific issues a little later.

The Minister referred to all the schedules before us and how we will address them, and he said that the territorial Departments for Wales, Scotland and Northern Ireland have today—I presume that means since the beginning of the debate this afternoon—tabled the statutory instruments that are required fully to combine the polls in each of the areas. There is no provision in statute for the combination of polls in Northern Ireland, whether for local government and Assembly elections or any other kind of elections. In Scotland, there is provision by virtue of an order, which I think was introduced in 2007, hanging off the Scotland Act 1998. That order makes it clear that local elections and parliamentary elections can be combined, but in fact it has now been decided not to combine them. In Wales, the situation is different again, because a 2007 order on the representation of the people and the Welsh Assembly makes provision to combine local elections and Welsh Assembly elections, but until now there has been no provision to enable the combining of referendums and elections.

The dangers of combining referendums are completely different from the dangers of combining elections. That is why the Government have had to introduce these statutory instruments to make provision for the referendums to be combined in each of the three territorial areas. Unfortunately, that is not the legislation that exists today, so these instruments have been tabled without, as far as I know, having been sent in advance to anybody involved in this Committee or anybody in the shadow offices in relation to Wales, Scotland and Northern Ireland, and without the Welsh Assembly, Scottish Parliament and Northern Ireland Assembly having been consulted on them; they have simply been published. I presume the Minister will be tabling things tomorrow, once we have finished in Committee, and he will then table a series of new amendments, which we will be able to debate on Report. I simply say that such an approach puts the horse before the cart.

Mark Tami: My hon. Friend finished on the point that I was going to make. Does he agree that the Government are clearly just making this up as they go along? At last Thursday's business questions, even the Leader of the House was unable to confirm whether the affirmative procedure would be used or whether the instruments would be taken on the Floor of the House. Perhaps my hon. Friend could update us on whether he has been given more information.

Chris Bryant: My hon. Friend is absolutely right. The proper process for a statutory instrument is that, first, consideration is given to whether it should be taken on the Floor of the House or in Committee. Given that all three of these statutory instruments relate to elections and are of a constitutional nature, my preference, and that of Labour Members, is for them to be taken on the Floor of the House and not in some Committee without general public scrutiny. Secondly, statutory instruments have to be considered by the Joint Committee on Statutory Instruments, which has a limited remit but can examine whether the affirmative or the negative resolution process should be used. Last week, as my hon. Friend rightly says, Ministers, including the Leader of the House, did not seem to have the faintest idea whether or not these would be subject to the affirmative procedure. I am glad to say that the Minister has now made it clear today—

Mr Harper *indicated assent.*

Chris Bryant: He has now made it clear, and we are deeply grateful to him, that these instruments will be dealt with by the affirmative procedure. Indeed, my hon. Friend the Member for Cardiff West (Kevin Brennan) received a letter to that effect—I was copied into it—on Friday.

We also need to consider what their lordships should do. I contend that we should proceed steadily, rather than at a gallop, on constitutional reform. That means,

first, that the Joint Committee on Statutory Instruments and the Merits of Statutory Instruments Committee in the House of Lords should go through their processes. We should then decide on the Floor of this House whether we agree the order, as should the House of Lords. That process is particularly important because these orders are not amendable and so we ought to ensure that we have a proper process in place before we reach the Report stage—I do not see how we can consider matters on Report until that has been done.

Angela Smith: My hon. Friend is making an excellent case about the lack of proper consultation and process on these proposals. If we had had such a thorough consultation and procedure in this place it would have allowed us to consider not only the principles but the various costs of holding the referendum, whether or not it be on the same day as the other polls. That is a very important principle in the context of last week's spending review.

Chris Bryant: My hon. Friend is absolutely right. One sadness about the way in which the business ends up having to be transacted today is that because the Government have constructed this in the form of a new clause with four new schedules attendant upon it, the votes on the schedules will be separated from the votes on the new clause—unless, Ms Primarolo, you are going to allow us to proceed in a slightly different way from how these matters are normally conducted. I understand that we will end up having a debate on new clause 7 before we proceed to votes on the new schedules, rather than having a separate debate on the new schedules. That is precisely because of how the Government have constructed their approach to the amendments.

It is also worth pointing out that the Government have not put minor amendments before us today. New schedule 2, which refers to England, is 35 pages long, as is new schedule 3, which relates to Wales. New schedule 4 is 37 pages long—Scotland gets rather more than Wales or England—and new schedule 5, on Northern Ireland, is just 19 pages long. I presume that the Minister's final throwaway comments on postal voting in Northern Ireland, which he made swiftly at the end of his speech, are why the number of pages on Northern Ireland is substantially smaller than the number on Scotland and Wales, and that he intends to introduce significant amendments at a later stage. Obviously, I do not believe that that should be next week—I think it should be once the statutory instruments have been considered and, if necessary, approved. However, that is all the more reason for us to ensure that the Northern Ireland statutory instrument is debated on the Floor of the House before Report.

Ian Lucas: One particular aspect of the franchise relating to the alternative vote referendum and the Welsh Assembly and Scottish Parliament elections concerns me. Is the referendum franchise made up of the same franchise as the general election or as the Assembly election? As my hon. Friend will know, those two franchises are different.

5.45 pm

Chris Bryant: It is neither A nor B—in fact, it is C. It is a new creation. The franchise for the AV referendum will be, broadly speaking, the same as that for a general election—that is, it will not include EU citizens—but will include, rather exceptionally, peers, including a peer who is able to have that vote only by virtue of their having a business interest in the City of London. A particularly bizarre franchise has been invented, which is why we tried to amend some of the elements of it in a previous discussion.

My hon. Friend the Member for Wrexham (Ian Lucas) makes a good point. In many polling districts, the register will be substantially different. In Newport, for instance, 1,000 voters will be able to vote in the Assembly elections but not in the referendum. I am not sure how many voters will be able to vote in the referendum but not in the Assembly elections by virtue of their being peers.

Mark Tami: Does my hon. Friend envisage people turning up expecting to be able to vote, because they can vote in the other election, only to be told that they can vote in that election but cannot take part in the referendum?

Chris Bryant: Indeed. There is a series of complications that I shall come on to, if my hon. Friend will bear with me for a while. Amendments specifically refer to that point, but they amend the Government's new schedules rather than the new clause, and I want first to deal with the amendments to new clause 20 tabled by my right hon. Friend the Leader of the Opposition, other colleagues and me.

The first amendment is amendment (a) to new clause 20. I realise that some hon. Members might be slightly confused that there are lots of amendments (a) in this group, because some refer to the new clause and some to each of the new schedules. Amendment (a) to Government new clause 20 states:

> "Where the date of the poll for a local authority election in England is the same as the date of the poll for the referendum, the polls are to be taken together."

That is narrower than that which the Government have provided. The Government are suggesting that the polls can happen together when there is the referendum, and a local authority election in England, and a local referendum in England, and a mayoral election in England. In other words, it is theoretically possible that, if we stick with the Government's proposal, one voter might come in to vote on the referendum on AV, a local authority election, a local referendum and a mayoral election all at the same time. It is one thing to consider all this in relation to someone coming into a polling station, and people might conclude that it is perfectly legitimate—that there is the franchise for the AV referendum, which we have already discussed, and the franchise for all three other issues, which would be the same—but what happens with postal votes for all those polls? If there are four postal votes and four polling cards, that provides a right old tagliatelle of a constitutional settlement for ordinary voters to try to sort out. That is why our amendment, instead of allowing all four polls at the same time, would allow only a local authority election in England to happen at the same time as the referendum. We do not think that is ideal, but at least it would tidy things up a little. I very much hope that the Minister will accede to that amendment.

[Chris Bryant]

Amendment (b) would also amend new clause 20 in relation to Northern Ireland. The Government propose:

"Where the date of the poll for one or more of the following is the same as the date of the poll for the referendum, the polls are to be taken together

(a) a Northern Ireland Assembly Election;

(b) a Northern Ireland local election."

In other words, they are providing for all three to happen at the same time. Up to now, there has been no legal provision enabling that to happen in Northern Ireland, which is why the Government are bringing forward relevant statutory instruments. We do not believe it is right to have all three elections at the same time, so we suggest, in a consensual way, that the Government might at least limit the combinations to a degree by taking one of the polls out of the measure.

Mark Durkan (Foyle) (SDLP): A few minutes ago, my hon. Friend was very critical of the Government's lack of consultation with the devolved interests, but who in Northern Ireland has he consulted regarding his amendment, which would prevent local elections from taking place on the same day as the referendum and Assembly elections? People in Northern Ireland have said that they do not want the referendum on the same day, and that they want the two elections together, but his amendment would mean that the elections could not take place on the same day.

Chris Bryant: The difficulty that we have as Her Majesty's loyal Opposition is that if I had tabled an amendment to that effect, it would have been ruled out of order and would not have been considered because we have already debated, in relation to clause 1, amendments on separating the referendum from those elections. I fully understand my hon. Friend's point and there have been extensive conversations on the amendment over the weekend with a wide variety of his friends and others in Northern Ireland. The point that we are trying to make is fairly simple: combining everything on the same day brings not clarity for voters but more obscurity.

Mr Nigel Dodds (Belfast North) (DUP): Let me endorse the point made by the hon. Member for Foyle (Mark Durkan) and make it clear that we have no difficulty with the date of the referendum being moved but that we certainly do not agree with the date of the Assembly and council elections being moved from their current scheduled date next May.

Chris Bryant: For the most part, we agree that what is sauce for the goose is sauce for the gander. The right hon. Gentleman is absolutely right. Broadly speaking, we agree that where it has been determined that elections should take place on a four-yearly or other basis, and advance notice of their date has been given, it would be inappropriate to move them. Our point is that the referendum should not be on the same day as all those elections. I hope that he understands our reasoning; I think we are moving in the same direction.

Mr David: Does my hon. Friend agree that the exchange that has just taken place underlines the fact that not enough time has been allowed for proper dialogue and conversation?

Chris Bryant: My hon. Friend is absolutely right. Unfortunately, this is one issue on which, notwithstanding the changes that have taken place in relation to the Backbench Business Committee, there has not been much change of heart in the way that business is brought before the House. Government Members say that Labour was appalling when it was in government because it took things through at too great a speed and sometimes did not allow enough time for consultation, but they have been preaching to us since May about the new politics. I should have thought, in the context of the new politics, that major, significant constitutional reform that will affect different parts of the Union in different ways and that will change in myriad ways the way in which the House is elected should be given proper time. That means proceeding more like a stately galleon than a coyote.

Ian Lucas: My hon. Friend makes an excellent point. Does he agree that the consultation is even more important because the proposal for the alternative vote referendum was in neither the Liberal Democrat nor the Conservative manifesto and because there is no electoral mandate for it?

Chris Bryant: Again, I agree with my hon. Friend: the Bill was in nobody's manifesto and that is why it seems like a piece of kebab legislation. It has been bunged together to provide the Araldite that the coalition otherwise would not have.

Roger Williams (Brecon and Radnorshire) (LD): Does the hon. Gentleman agree that it would have been difficult to have pre-legislative scrutiny of whatever legislation was brought forward at this time? Is he suggesting that we should have a period at the beginning of a Parliament in which there is no legislation at all?

Chris Bryant: If we are talking about this legislation, then, yes, probably. The hon. Gentleman makes a serious point: there is a difficult period at the beginning of a Parliament in which a Government have to go from standing still to providing legislation. I fully understand that, but it is ill-advised to introduce major constitutional legislation at that time. I do not understand the rush with this legislation. I presume he hopes that it will not be needed until 2015, if AV is agreed to and the constituencies are all redrawn, because I am sure that he supports the five-year terms in the Fixed-term Parliaments Bill. There is no particular rush and this could all have been done at a slightly more leisurely pace. That would have improved the general feel of the way in which the Government are conducting this constitutional reform. Let us be clear: the party that would like to help, in some regards, those who want to reform the way in which we do politics in this country is sitting on the Opposition side of the House. The hon. Gentleman and I could be allies on many issues of constitutional reform, but the way in which the Government, particularly the Deputy Prime Minister, have approached many of these issues has made that far more difficult for us.

John Mann (Bassetlaw) (Lab) *rose—*

Chris Bryant: I give way to my hon. Friend, who probably does not agree with my last sentence.

John Mann: I do not agree with my hon. Friend's use of the adjective "ill-advised". A more appropriate description might be "anti-democratic and gerrymandering in order to hold together this fragile and useless coalition." I point out that in a by-election last Thursday, the Liberals' share of the vote fell to 2% in my area.

Chris Bryant: My hon. Friend is almost getting into Rhondda territory. I think there is only one parliamentary constituency in which both the Conservatives and the Liberals have lost their deposits in the past 10 years—the Rhondda. *[Interruption.]* That was not at this general election, but the last one. I am sure that we will return to that situation at the next general election.

Returning to the Northern Ireland issue, the Government want everything to happen on the same day next May, but we think that is inappropriate and that is why we have tabled these amendments. We have tabled two other amendments to new clause 20: amendments (c) and (d). Amendment (c) would leave out lines 35 to 39, concerning a local referendum and a mayoral election in England. The Minister might enlighten us later on why the Government felt it necessary to include those measures. Are they expecting mayoral elections or local referendums on that date? If there are to be local referendums in England on the same day as an AV referendum, there will be a right old muddle. Most voters do not spend their waking hours, let alone their sleeping hours, worrying about the constitutional settlement in Britain. For the most part, they are more interested in other aspects of their lives than in the political machinations of Westminster or any other part of the constitution. That is why they often choose not to focus on the specifics until a late stage in the process. I am sure we have all had people come up to us two days before an election, saying, "I'm not registered to vote but I really want to vote in the election." I am glad that one of the changes we introduced during the past 13 years was to make it easier for people to register after an election had been called. Far more people now register.

I am also glad that we made it easier for people to obtain postal votes. In the past, if someone wanted to vote by post, they had to have the application signed off by a medical practitioner of some kind, and in many parts of the country doctors and nurses charged £6 to sign the form. That meant that large numbers of poorer voters did not apply for a postal vote and were disfranchised, which is why it is all the more important to make sure there is clarity and consistency in the Bill.

6 pm

I hope the Minister will be able to enlighten us on precisely why he thinks so many different elections, which might be for a county council, a district council, a local council or a parish council, as well as a local referendum, a mayoral contest and the referendum, could all be held at the same time.

Andrew Gwynne: My hon. Friend missed something from his list—the possibility of a council tax referendum. The Government have removed their capping powers, and are making provision for local referendums when local authorities want to increase council tax above a certain level.

Chris Bryant: My hon. Friend knows more about local elections in England than I do, so he will correct me if I am wrong, but I presumed that such referendums would be included in the local referendums in England category. However, he is right: a series of different propositions may be put to people. Following the comprehensive spending review last week, which included a drastic attack on local government funding, many local authorities will be worrying about whether they should spend £10,000 on a registration campaign, to make sure that as many people as possible are on the register, or whether they should spend the money on keeping a swimming pool open or on some other element of their services. They may decide that the only way to protect the public services they believe local people want will be to ensure that they hold a referendum on whether they should increase the amount of money that comes in from council tax.

I used to be a local government development officer for the Labour party, so I understand the argument that because between 75% and 80% of the local government budget is provided by the Government, it does not easily allow local democracy to flourish. However, if local referendums on those powers were held in May next year, it would add even greater complexity, as I think my hon. Friend was suggesting.

We have tabled several amendments to new schedule 2, and I shall go through them in order. However, because of the way in which the Government have structured the amendments, it is quite complicated for most ordinary Members to understand precisely where they are. When we consider amendments to clauses, new clauses or schedules, there are line numbers on the page, but not for new schedules. Consequently, in a lengthy new schedule of 35 pages, it is sometimes difficult to find the specific provisions to which the amendments refer.

Our first amendment is (a), on the notice for combined polls in England. It relates to paragraph 11, which Members can find on page 757 of the amendment paper. We suggest that there is no reason why the Government should insist that notice of poll be provided on the 15th day before the poll, when the 28th day before would perfectly easily give substantially more notice, so our amendment would replace "15th" with "28th".

Our second amendment—(b)—relates to absent voter applications. Several Members have referred to postal and proxy voters, who constitute absent voters. A key issue is that someone might believe they had applied for a postal vote in respect of all elections and polls—anything on which they can vote. They might not draw a distinction between an election and a referendum; they have decided never to go to a polling station, and they prefer to vote by post. However, that is not actually what the provision is. Although some people might explicitly choose an all-elections postal vote, but not want a postal vote for referendums, such a situation is pretty unlikely, which is why our amendment states:

"An application under regulation 51(4)b of the Representation of the People (England and Wales) Regulations 2001, SI 2001/341, for an absent vote must state whether it is made for parliamentary elections, local government elections, referendums or all of them."

People should be able to sign up to all of them, otherwise they will encounter terrible complexity not just when they ask for a postal vote, but also on polling day. As we know, some people lose their postal vote, some cannot

[Chris Bryant]

send it on time and others may leave it until fairly late because they are uncertain how to vote and end up bringing the postal vote to the polling station. If someone has a postal vote for one poll but not for another, there may be considerable complexity about precisely what they are allowed to do.

Andrew Gwynne: In my constituency, a not insubstantial number of people are registered for a postal vote only for local elections, and not necessarily because they are EU residents who are unable to vote in a general election. Although they opted to register for a postal vote only for the local elections, they will expect a postal vote both for those elections and for the referendum and will be disappointed when they receive a ballot paper only for the council elections. Does my hon. Friend think there ought to be more publicity to make such people aware that they will not be able to vote by post in the referendum?

Chris Bryant: Yes, I agree. In addition, someone could have applied for a postal vote for one or other of the elections—the referendum, or the Assembly or Scottish Parliament elections. When their postal vote arrives for one of the elections, they might presume that it is the only election happening that day—most people do not obsess about whether there will be more than one election on a given date. They might feel they had been told that was their only chance to vote, so they would vote only in one or other of the elections. That is another complexity that could arise, which is why later on I shall refer to some of the amendments we have tabled on polling cards. We have to follow through the whole process. At the moment, I am referring to new schedule 2 as it relates to England, but later I shall discuss Wales, Scotland and Northern Ireland, where some of the same issues could arise, albeit in a slightly different format.

John Mann: I congratulate my hon. Friend on his proposed amendments to new schedule 2. I am attempting to follow his logic. Is he saying that amendment (b), which is on postal voting, could save on bureaucracy and red tape compared with the Government's proposal?

Chris Bryant: Undoubtedly so, and that is one reason for my proposal. However, we sometimes overstate our concerns about the cost of elections. It is sometimes more important to say that we need the right regulations to provide clarity to voters. Holding several polls at the same time in the same polling station or by postal ballot adds complexity, which is not in the interests of good democracy. Incidentally, I am sure that if any of the hon. Members who act as observers of elections in other countries saw that situation, they would say, "The provision of postal votes was a complete and utter mess."

John Mann: I accept my hon. Friend's point that cost is not everything, but that is not what we have heard from those on both sides of the House in recent times. Does he agree that there is also an opportunity cost, because the returning officer and his or her staff will lose time on additional bureaucracy in the important run-up period to an election when they should be engaging properly with the electorate if the Government, with their ongoing lack of common sense, fail to accept amendment (b)?

Chris Bryant: My hon. Friend is right. Indeed, I was recently subjected to the complexity into which returning officers sometimes go. Westminster council has now sent me eight missives in relation to the postal vote in Westminster. I never exercise my vote in London because my vote is in the Rhondda, which is my home. However, I had to register in my property in London, which I rent. People have to return the form to say whether—*[Interruption.]* If the hon. Member for Brecon and Radnorshire (Roger Williams) wants to intervene, I am quite happy to give way to him.

Roger Williams *indicated dissent.*

Chris Bryant: No. He is just going to continue chuntering. Fine.

My point is that quite often, voters must go through an unnecessarily onerous process to register for a postal vote. Likewise, the returning officer goes through far too many hoops. Sometimes it makes sense to make administrative savings when one can.

Amendment (c) to new schedule 2 is on the colour of ballot papers. Hon. Members might think that that is a recondite subject for a Bill, but notwithstanding the Minister's remarks last week—he said that he did not want to tell returning officers precisely what to do at any point—the law already makes provisions on it, including in new schedule 2.

Government new schedule 2, which relates only to England, would simply state:

"The ballot papers used for the referendum must be of a different colour from the ballot papers used for any relevant election."

That is sensible, because people might get two ballot papers when they arrive to vote—one for the referendum and one for the local election—and we want to ensure that the papers go into their respective ballot boxes. Different colours of ballot paper would make it easier for people to do that. However, in amendment (c), we are suggesting that it would be sensible for the same colour ballot paper to be used for the referendum throughout the United Kingdom. I suspect that the Electoral Commission will produce publicity on the referendum and encourage people to vote—not how to vote—and it would be helpful if it could refer to the colour of the ballot paper. The only way for that to happen is for the chief counting officer to decide the colour of the referendum ballot paper. The Government could then follow that up by providing that other ballot papers must be a different colour.

That is why, in amendment (c), we propose to remove paragraph 15 of new schedule 2 and insert:

"The Chief Counting Officer shall select the colour of the ballot paper used for the referendum...The other ballot papers used for any relevant election shall be of a different colour from that selected by the Chief Counting Officer."

6.15 pm

Cathy Jamieson: I absolutely agree with my hon. Friend. Will he invite the Minister to ensure that the colour selected for the referendum ballot paper is not a colour that is traditionally used in Scottish Parliament elections?

Chris Bryant: That makes sense. If we had had enough time to go through this process at a slightly more leisurely pace, it would have been possible to consult on

and agree to all such things. If the proposals were generally accepted, there would be a rather better feeling about the Bill.

We toyed with tabling an amendment to seek to determine the colour of the ballot paper, but we decided against that bearing in mind what the Minister said last week about leaving some decisions to officers. I have received representations from people who say that it would be inappropriate to use on the ballot paper a colour that is normally used by a political party, because we would then get into the complexities of defining which is a major political party and which is not, and what colours relate to them, which is a problem not least because I am not sure whether the Liberal Democrats are yellow or orange these days. I note that the Minister is wearing a Liberal Democrat tie today—it is mostly yellow but with little bits of blue.

Amendment (d) to new schedule 2 is on official poll cards. In new schedule 2, the Government state:

"If the counting officer thinks fit, the official poll cards used for the referendum and for the relevant elections may be combined."

The problem is this: how is the counting officer to determine whether he or she "thinks fit"? Why ought we to allow that degree of freedom locally when it might make a material difference to the conduct of the ballot or referendum? We propose that:

"The official poll cards used for the referendum and for the relevant elections must be combined for all electors qualified to vote in all the polls."

We all get a lot of junk mail these days. The danger is that voters will be confused if they receive two or three—or potentially four, five or six—polling cards for the different elections that are happening at the same time. They will not see how one affects the other. It would be far more sensible, wherever there is a combined poll, for the official poll cards to make it absolutely clear how many votes must be cast, how many elections there are, whether the voter has a postal vote, how they go about registering for a postal vote and so on. Our proposal would mean that there is clarity on a single piece of paper for the ordinary voter rather than a series of polling cards. The Government should make clear the nature of the franchise for each election and poll. As a proposed amendment to new schedule 2, amendment (d) relates exclusively to England.

Mr Tom Harris: I seek to be helpful. Will my hon. Friend explain why it is so important that someone who receives a polling card is made aware of the extent of the franchise for that election? If they are aware that they can vote, does it matter if they are aware of the extent of the franchise in a particular referendum or election?

Chris Bryant: My hon. Friend is right. I did not mean to say that there should be a treatise on the polling card about the nature of the franchise, how it applies to peers and so on. I was making the point that the card should state clearly that the elector is entitled to vote in all the elections, one of them, two or whatever. It should make it clear that there is more than one ballot taking place at the same time.

Jake Berry (Rossendale and Darwen) (Con): Does the hon. Gentleman agree that the clearest thing of all would be a separate polling card for each election, to enable people to use that polling card to vote in a specific election?

Chris Bryant: I do not understand why the hon. Gentleman is supporting the Government's position. The Government say that where the counting officer thinks fit, he or she should be allowed to combine the polling cards. Logically, if the hon. Gentleman is to follow his own argument, he should have tabled an amendment that deleted that element and stated that there should always be separate polling cards.

The difficulty is that many people think they must have a polling card to be able to vote, which is not the case. If people have lost one of their polling cards—for instance, their referendum or their local election polling card—the danger is that they will think they are able to vote in one, rather than both. That is why it would be better to combine.

John Mann: I am following my hon. Friend's logic, though he is beginning to lose me. Surely if there were more than one polling card per election, the chance of losing the polling card would be reduced, and more of our voters would turn out and vote because they have a polling card. Is he not proposing an anti-Labour amendment?

Chris Bryant: It is not those of us on the Opposition Benches who table partisan amendments. Only those on the Government Benches table partisan legislation. It is not my intention to benefit or disbenefit anybody, other than benefiting the ordinary voter who wants to be able to cast their vote in as many elections as they choose.

Mr Dodds: Does the hon. Gentleman agree that whether there are combined or separate polling cards, there is a need for the chief electoral officer in all areas, particularly in Northern Ireland, to do more to protect the integrity of all such official documents? We had examples in the last parliamentary election of one party in particular producing its own official polling cards, which caused utter confusion and deceived people. Can we ensure that when the polling cards are produced, proper policing takes place to prevent people from abusing those official cards?

Chris Bryant: If multiple polling cards go to each individual elector, in a household where there are five people living and two elections taking place, that would be 10 polling cards turning up. Apart from anything else, there is quite a strong likelihood that they will all get binned. The other difficulty is that political parties will step into the breach and produce leaflets which say, "You may not want to vote in the AV referendum, or you may want to vote in a particular way, but don't forget, you've also got the Assembly elections." Different political parties may want to step into the breach in various ways.

Mark Durkan: Surely if we have separate polling cards for each of the polls taking place, whether those are elections or referendums, we will get more of the problem of some cards being delivered and some not, which has been a constant problem in recent elections in Northern Ireland. In my constituency in particular, there has been an ongoing issue concerning postal workers, who feel that they are not getting paid the same for delivering election-related material, whether it is from parties or from the electoral officer. We will only add to those difficulties, which have meant that party material is not delivered.

Chris Bryant: Schedule 2 relates only to England, and the Post Office does not make such deliveries. Most local authorities use council staff to deliver polling cards. That is certainly true in some parts of England. I have a concern that with many fewer council staff, following the cuts that are likely to come, it will be more difficult for them to do so.

My basic point is that the returning officer should make it clear to each voter that they can vote in X election, Y election and the referendum, and that they can take their pick whether they want to take part in all of them, and whether they want to vote by post or turn up. Providing one piece of paper would make more sense than providing two, three, four or whatever to each voter. That might also save paper and administrative costs.

Incidentally, since each polling card must show the voter's name, address and polling number and the address of the polling station, there is no reason why it should not state clearly which ballots that voter can take part in. That would meet what I think will be quite a complex issue—the fact that the franchise for the referendum is different from that for any of the other elections taking place on the same day.

Still on new schedule 2, which relates to England, our amendment (e) deals with separate ballot boxes. The Government state in paragraph 18:

"(1) If the counting officer thinks fit"—

a phrase they often use—

"the same ballot box may be used at the polls for the referendum and the relevant elections.

(2) Where separate ballot boxes are used, each must be clearly marked to show—

(a) the poll to which it relates, and

(b) the colour of the ballot papers that should be placed in it."

That is wholly inappropriate. It would make far more sense to have separate ballot boxes for the referendum and for the relevant elections. The Government already say that the colour of the ballot papers should be different, so it would mean greater simplicity for voters to be able to turn up to a polling station, get, let us say, a light green ballot paper for the referendum and a white ballot paper for the local election in England, and see a little sign saying that green ballot papers go into one box and white ballot papers into another. I should have thought that that would make the process of verification of votes simpler for the vast majority of returning officers and counting officers.

John Mann: Aside from the problems that would be caused to those, including Members of the House, who are colour blind, why is my hon. Friend putting such additional complexities on voters, including elderly voters who may well have eyesight problems? Some voters in their 80s or 90s choose to go to the polling station. Why put complications in the system of voting? Where is the logic?

Chris Bryant: I do not think I am making the system more complex. It makes the system more complex if there is just one ballot box for two completely different sets of propositions. There will be two different electoral registers—we will come to the issue of electoral registers later—and those who can vote in one ballot will not be the same as those who can vote in another. To make sure that the ballot is correct, and that people are not given ballot papers when they are not entitled to them, and to make sure that the administration of the counting of the votes can take place properly, it would be better to have separate ballot boxes.

Gordon Birtwistle (Burnley) (LD): I dread dragging the debate on any longer than is necessary, but in Burnley at the election in May we had one ballot box for both the local election ballot papers and the general election ballot papers. It caused no trouble whatever. If we had two boxes, the reconciliation of the ballot papers in either box would require them all to be emptied out, because people will make mistakes. I can see no sense in having various ballot boxes. The present system has worked for years. Why change it now?

6.30 pm

Chris Bryant: I just think it is simpler to be able to separate them before starting. Of course, if somebody puts the wrong ballot paper in the wrong box, that is not a problem. Some other countries use what the Labour party used for its elections—of the leader of the Labour party, the national executive committee and so on—earlier this year: a single ballot paper covering a multitude of different elections. The voting system used in each of those elections was different, which confused some voters. Instead of a single ballot paper with lots of different elements on it, it is better to have separate ballot papers, and therefore separate ballot boxes.

Mr Mark Williams (Ceredigion) (LD): Does the hon. Gentleman think that the system used in Wales for the National Assembly elections needs reforming on that basis, because we have two ballot papers—one for the list and one for the constituency contest? They all go in the same ballot box and are sorted out later.

Chris Bryant: We will come later to the question of which ballots is counted first. The Minister has said that he would like the elections counted first, but it will be difficult to do that until all the ballot boxes have been emptied and all the verification done. It would be swifter if we had a ballot box that, in 99% of cases, contained no mistakes and was for one set of ballot papers and not more.

Andrew Gwynne: May I advise my hon. Friend that the experience in Denton and Reddish on 6 May this year was quite different from that of the hon. Member for Burnley (Gordon Birtwistle)? In some of the polling stations, particularly in the Stockport part of my constituency, the ballot boxes were full before the end of the day, leading to the polling clerk having to shove rulers into the ballot boxes to try to make space for extra ballot papers.

Chris Bryant: I have seen the same myself in by-elections in Hackney and council elections elsewhere. That can happen in just one election, so it is far more likely to happen in combined elections, which is why it would be simpler to be able to separate the ballot papers.

Andrew Gwynne: To clarify, on 6 May, we had combined elections in Denton and Reddish, to both Stockport and Tameside metropolitan borough councils and to this place.

Chris Bryant: I am glad that my hon. Friend was returned with a decent majority; there cannot have been too much of a problem. None the less, I think that my amendment would provide greater clarity.

Amendment (f) to new schedule 2, entitled "Combination of polls: England", relates to the publicity provided in polling stations. Polling stations contain some information about how people are to vote, mark their vote and all the rest of it. Our simple point is that there should be similar information on the referendum. Our amendment reads:

> "The Electoral Commission are to supply posters to be displayed in every polling station used for the referendum, which give neutral information on first past the post and alternative vote systems that are the subject of the referendum, subject to agreement by the Speaker's Committee on the Electoral Commission."

The only additional element that need concern us is our suggestion that the matter be referred to the Speaker's Committee on the Electoral Commission. We suggest that simply because what might not look to one person like a partisan presentation of the case for the alternative vote or first past the post might do so to the weathered eye of a politician. That is why information should be provided in the polling station. However, anything trying to explain the two voting systems should have been agreed by those here who represent different sides of the argument on the referendum.

Amendment (g) relates to registers. The Government's measures allow for a single electoral register in the polling station. A voter will come in, provide their name and address—in Northern Ireland, they have to provide more information—or their polling or identifying number, and then be given the relevant number of ballot papers. The problem is, however, that the franchises are different. In Newport, for instance, 1,000 voters will be able to vote in the Welsh Assembly elections who will not be able to vote in the referendum. The Government's provisions allow for that by suggesting that one mark be made against the names of those voting in all of the elections, and another against those of anyone who chooses not to vote, or who cannot vote, in one or more of them. That will lead to instances in which people are given ballot papers inappropriately. We have all heard of instances when that has happened because there has been a shared register. I therefore urge the Government to accept separate registers for the separate franchises. That is the best way to ensure that there is no inappropriate giving of ballot papers to people who cannot vote in one or other of the polls.

John Mann: On this occasion, my hon. Friend has not lost me with his amendment, although I am astonished at where it has originated. Will he explain exactly how it will be more effective and quicker for staff at a polling station to have two separate registers, given that they will not know which elections people are eligible to vote in, and especially given that, under another of his amendments, voters would have only one polling card to present? Would his amendment (g) not lead to the possibility of queues not just at 10 o'clock but throughout the day, with people trying to find out whether they were eligible to vote, because staff would have to check two registers rather than one?

Chris Bryant: No, what should be happening is this: a voter eligible for one election presents themselves at a polling station and goes to the electoral registration officer, who marks them off on the list and gives them a ballot paper for just one election. If the voter is eligible for the second election, the officer marks them off on the other list and gives them the relevant ballot paper. That is not vastly different. It simply means separate marked registers for each election, which will lead to fewer confusions about who is entitled to vote in each election.

Roger Williams: Does the hon. Gentleman agree that in the vicinity of the polling station there might be a helpful Liberal Democrat, who could help the voters and point out to them in which elections they could take part?

Chris Bryant: It depends which kind of Liberal Democrat it is. If they are from one side of the street, they will say one thing, and if they are from the other side, they will say exactly the opposite. Anyway, people with rosettes will not be in the polling stations advising people. It is not a good idea for people with partisan affiliations to be telling people whether they can vote when they turn up at a polling station. However, I note that that is the partisan direction in which the Liberal Democrats are going. I had thought better of the hon. Gentleman.

John Mann: I remain mystified, because my hon. Friend is now saying that there is an issue with the marked register. Does the issue with the marked register not relate to how postal votes, particularly late postal votes, are added to the marked register, not to whether a European vote can be identified on the register?

Chris Bryant: I think my hon. Friend misunderstands the situation. The Government want a single register with the officer deciding how many elections a person may vote in. I am suggesting two registers, one for the referendum and one for all the other elections, because the franchise for the elections would be the same. That would provide greater clarity when people are voting. *[Interruption.]* It would be the same in England. We are discussing new schedule 2, as I am sure the Minister, who is quietly chuntering in his charming way, will acknowledge.

Jake Berry: I should be interested to know how many elections the hon. Gentleman has run, or how many returning officers he has spoken to about the amendments, because they all seem to imply that what he thinks should happen in the election trumps what a returning officer believes should happen in his own election in his own division.

Chris Bryant: No. In relation to some of the measures, we think it important to look at whether there should be uniformity throughout the country for a referendum that applies to the whole country, such as in the colour of ballot papers. Broadly speaking, I think that there should be such uniformity, as does my party. Some of the other amendments are probing, because the aim of legislative scrutiny, especially when the Government have at a late stage tabled 110 pages or so of amendments, is to go through them and ensure that we have made the right decision. The hon. Gentleman is upset because he did not manage to table an amendment to the Government's proposed changes. He had not spotted that he disagreed with them, but perhaps next time, when another piece of legislation comes forward, he will table one.

Jake Berry: My point is that I do agree with the Government. The returning officer should have the right to make the decision.

Chris Bryant: Well, the hon. Gentleman did not make that point earlier, but if he now agrees with the Government that must be because a Whip has spoken to him—or somehow or other. Anyway, he agrees with the Government, and I am sure that the Minister will be absolutely delighted about that.

Kevin Brennan (Cardiff West) (Lab): The hon. Member for Damascus.

Chris Bryant: As my hon. Friend says, the hon. Member for Rossendale and Darwen (Jake Berry) has obviously become the hon. Member for Damascus. There are quite a lot of them in the Liberal Democrat party as well, so I am sure he and his friends will feel very much at home.

We have also tabled some consequential amendments, such as amendment (h), and that brings us to amendment (i) to new schedule 2, which is entitled, "Combination of Polls: England". The amendment relates to who is able to attend the count. I accept that I have not consulted widely with returning officers on this matter, because my experience is that different returning officers—*[Interruption.]* The hon. Member for Crewe and Nantwich (Mr Timpson) mouths at me, "What page?" Amendment (i) is on page 790 of the amendment paper, and it reads:

"Paragraph 40, at the end of sub-paragraph (3) insert 'or

(c) the person is a Member of Parliament.'."

The amendment would merely allow Members, as of right, to attend the count on the AV referendum. We have not been able to word the amendment, "the person is the Member of Parliament for that constituency", because thus far we have not won the argument with the Minister about making the count happen at a Westminster parliamentary constituency level, but the amendment would allow Members to attend the count.

Mr Tom Harris: I rise only to remind the Committee and particularly the hon. Member for Damascus about our argument in the previous Parliament which proved there is little point in consulting returning officers on some matters. Even though it was the will of the House that the general election count take place on the night of polling, primary legislation was required to force returning officers to agree to count the ballot papers.

Chris Bryant: I am not quite so negative as my hon. Friend about returning officers, but the hon. Member for Epping Forest (Mrs Laing) had an excellent debate in Westminster Hall the other day—*[Interruption.]* She is not in her place at the moment, but I am sure she will be later.

Mr Harper: The hon. Gentleman was gesturing.

Chris Bryant: Yes, I was gesturing to the hon. Lady as if she were there, because in spirit she is sitting just over the Minister's shoulder, keeping a beady eye on him.

My point is that returning officers often have not only the law breathing down their neck, but elected Members who, in particular at the moment, are understandably worried about the financial situation. They will be wondering whether it is better to spend money on electoral registration, the proper running of election counts and buying more polling station equipment, or on keeping a swimming pool open. I understand the pressure on returning officers, who want clarity from Parliament, but sometimes, as my hon. Friend the Member for Glasgow South (Mr Harris) said, they are wrong.

6.45 pm

There is remarkably little freedom in law to give out a ballot paper after 10 o'clock, as the Minister reminded us in a debate the other day—*[Interruption.]* Indeed, there is no leniency or flexibility. However, some returning officers in the general election did give out ballot papers after 10 o'clock, because there had been extensive queues, so there has to be a bit of give and take in the relationship between Parliament and returning officers. Nevertheless, on the matter before us, I have often found that returning officers, who in the Government's new schedule would be given a degree of flexibility about whom they allowed to attend the count, choose not to allow the Member, as of right, to attend. It is a relatively minor point, but Members should be allowed to attend.

Andrew Gwynne: My hon. Friend made a very good point about basing the referendum count on parliamentary constituency boundaries. One third of my constituency is in Stockport metropolitan borough and two thirds are in Tameside metropolitan borough, and, were the referendum to be counted on a local authority basis, I would have two counts taking place at the same time.

Chris Bryant: Yes—*[Interruption.]* The Deputy Leader of the House says that he has that all the time. He obviously likes being "kebabbed" in that way—or perhaps that is spatchcocked, I am not sure.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): That is more spatchcocked.

Chris Bryant: The hon. Gentleman agrees.

The point is that our amendment is so drafted because, otherwise, a Member might be able to attend half the count in relation to the referendum on the alternative vote, but not the other half in relation to his constituency. We have tabled the amendment so that any Member of Parliament would be able to attend a referendum count. I would hope that most returning officers would not feel troubled by that, but some have explicitly said that the Member of Parliament is not, as of right, allowed to attend.

We have tabled one further amendment that is of significance and not just consequential on others. Amendment (j) relates to new schedule 2 and is about the priority in counting election papers.

Ian Austin (Dudley North) (Lab): I may have missed this point earlier, but will the referendum votes be counted by ward and then by either local authority or constituency area, or by constituency area or local authority first? Will they be mixed together and counted, or will they be counted by local authority electoral ward first?

Chris Bryant: No, they will not be counted by local authority ward. The procedure is different in England, Wales, Scotland and Northern Ireland of course—just

to make it easier for everybody. We tabled an amendment saying that it should be done in the same way throughout the whole country. *[Interruption.]* The Minister says that his provisions would make the procedure easier, but I am not sure that they would. In Wales, the procedure will be based on Assembly constituency boundaries, which are the same as parliamentary boundaries. In England, it will be based on local authority boundaries. In Scotland, it will be based on Scottish parliamentary boundaries, which are not coterminous with Westminster parliamentary boundaries—

Mr Tom Harris: What about in Dudley?

Chris Bryant: In Dudley, which is not a separate nation yet, the procedure will be based on local authority boundaries. I cannot remember the provision in relation to Northern Ireland, but I am sure that the Minister will enlighten us. *[Interruption.]* It will be based on the whole of Northern Ireland; that is right.

On the question of priority when counting votes, we believe, as I think the Minister does, that it is important to count first the ballots for elections in which somebody is standing for office, and the referendum afterwards. If the rules in the Government's proposed changes are agreed to, however, that will not be entirely possible, because the ballots will first require a degree of verification, and we will have to empty all the ballot boxes in order to do so. None the less, we believe that in order to ensure that counting officers give priority to the counting of ballots cast in the respective elections to the Northern Ireland, Scottish and Welsh devolved Administrations, and to local council elections in each part of the United Kingdom, amendment (j) would need to be added to new schedule 2 in relation to England.

I am sure that you will be aware, Ms Primarolo, that we have tabled similar amendments to new schedules 3, 4 and 5 in relation to Wales, Scotland and Northern Ireland. I do not intend to refer to those now, because this is not the last time that the Government will present amendments on this subject, having decided to go through the ludicrous process of having statutory instruments that will not have been considered in advance of next week's Report stage before they then table additional amendments. I think that that is inappropriate.

Let me refer to the report that was published today by the Welsh Affairs Committee, in which John Turner, the chief executive of the Association of Electoral Administrators, who, as the hon. Member for Damascus—the hon. Member for Rossendale and Darwen—will know, is head honcho among returning officers, said that

"drawing on the experience of Scotland in 2007, the AEA considered there was a high possibility for great confusion amongst voters...electoral events, if they are of a different nature, should not take place at the same time. As a matter of policy and principle, we subscribe to that. Therefore, we have concerns about the possible implications for voters in understanding, or being confused by, the different ballot papers they are presented with for different electoral events on the same day."

We would contend, particularly because of the haste with which the Bill has been brought forward and the lack of pre-legislative scrutiny, that it will be even more difficult for returning officers to be able to do their job in the elections and to provide greater clarity for local voters.

Mr Harris: Has my hon. Friend received any information from the Government about the decision by the Scottish Parliament to move the local authority elections in Scotland back by one year specifically to avoid the confusion encountered in 2007? As the Government now want to have a referendum on the same day as the Scottish Parliament elections, does that mean that they believe that the Scottish Parliament was wrong to move the local elections back by one year?

Chris Bryant: I presume that they must, because that is why we are now going to have all three of these things on the same day in Northern Ireland, despite the experiences in Scotland, which were aggressively excoriated by the Liberal Democrats when they were on the Opposition Benches—although they seem to have forgotten all the speeches that they made then.

Mr Alan Reid (Argyll and Bute) (LD): As I am sure the hon. Gentleman is aware, the difference is that the Scottish council elections are held under the single transferable vote, so the voter has to number the ballot paper with their first, second and third preferences. In this case, all ballot papers will be marked with a single cross, so the possibility of confusion does not arise as it would if we were having two elections on the same day under different electoral systems.

Chris Bryant: The hon. Gentleman is a Liberal Democrat, and I am sure that he knows all about confusion, especially at the moment. I think that he is trying to quibble to end up with a position that he can proudly defend. In 2007, he would probably have been saying that the elections should not have been held at the same time, so he should be advancing the same argument now. However, I leave that for him and his conscience.

The Welsh Affairs Committee cited Lewis Baston, the senior research fellow with Democratic Audit, who argued that the coincidence in 2015—if the Fixed-term Parliaments Bill goes through in the way that the Government intend—of a general election with Assembly elections in Wales and parliamentary elections in Scotland is even more troubling because

"the elections for Westminster and the Assembly would be taking place on different systems"—

precisely the point made by the hon. Member for Argyll and Bute (Mr Reid)—

"on the same day and, more complicatedly, on two sets of boundaries which will hardly ever correlate with each other."

I am absolutely certain that because the hon. Gentleman is a very honourable gentleman who is always consistent with his arguments, he will therefore vote against provisions in the Fixed-term Parliaments Bill whereby elections in Scotland and Wales are to be held on the same day as the general election. I can see from his smile that I already have his vote in relation to any such amendments.

I am sorry that I have been unable to deal with all the other amendments that we tabled on Wales, Scotland and Northern Ireland, but some of them merely repeat the other amendments to new schedule 2 as regards England. I hope that we will have an opportunity to vote on quite a number of these proposals.

Mr Harper: First, I will pick up several issues raised by the hon. Member for Rhondda (Chris Bryant) and other Members, and at the end of my remarks I will ask

[Mr Harper]

the Committee to vote for my new clause and new schedules and to vote against all the amendments tabled by the hon. Gentleman. For colleagues requiring a simple way of thinking about it, that is what I am asking them to do, and they can now choose whether they want to listen to the rest of my remarks.

Mr Dodds: The Minister says that he is going to recommend to his hon. Friends that they vote against all the amendments. Does that include the amendment about giving priority to the counting of votes for Assembly elections or local elections over the referendum, given that I seem to remember him saying that he would support such a provision?

Mr Harper: We had a debate on this earlier, but I do not think that the right hon. Gentleman was in his place at the time. If he can wait until I get to that section of my speech, I will discuss it then. However, we do not think that his amendment is necessary to achieve the outcome on which he and I agree.

Mr Tom Harris: When the Opposition expressed reservations about the rapidity with which the Government were pushing the Bill through, we were assured that a certain number of days on the Floor of the House would be given to the Committee stage to enable Members from all parties to express an opinion. The Minister is now saying that he is recommending opposition to every single amendment tabled by the official Opposition. Is this yet another example of openness and the new politics?

Mr Harper: I have said that I am going to explain why hon. Members should vote against the amendments; I think that there are very good reasons for that. I have listened carefully and at length to the hon. Gentleman, as I have on every day of these debates. I want to use this as a good opportunity to talk about these matters.

I am happy to admit that we may not have reached perfection, but when one considers how we have conducted ourselves on this Bill compared with what Labour did when in government, it is clear that we have made tremendous steps forward in allowing the House time to consider it. Last week the hon. Member for Rhondda referred to the Constitutional Reform and Governance Act 2010, which was a similar kind of Bill, and said we should have allowed a day for each clause of our Bill. If a whole day had been spent on each clause of the CRAG Bill, which had 95 clauses, we would have had 24 weeks of debate—and of course we did not. Entire new parts and several stand-alone clauses were added which bore no relation to any existing provisions in the Bill. Only six days in Committee were allowed for those 95 clauses, and only a single day to debate all the new clauses on the alternative vote. There were multiple knives in the programme motion to restrict debate, and only one day for Report. I am happy to accept that we may not be perfect, but we have made tremendous steps forward.

John Mann: Is the Minister daring to come to this House and suggest that failing to put this Bill into a proper Committee, with week after week of scrutiny—I would have been happy to serve on it, and to stay overnight as well if necessary—and railroading this gerrymandered Bill through Parliament is in some way democratic? How has he got the nerve to come up with such nonsense?

Mr Harper: By having a Committee of the Whole House, we have enabled every Member to be here. I have been here for all five days of debate, and enjoyed them tremendously. I am afraid that I cannot agree with the hon. Gentleman on this particular issue. If he wants to wait, however, he will find that, much to my surprise, I agree with several of his points about the amendments tabled by the hon. Member for Rhondda.

John Mann: But Members such as myself have tabled amendments, and because there has not been enough time, they have not even been scheduled for debate. The gerrymandering being attempted is not even being debated in the Committee, because of the timetabling. This collapsing coalition has put together a democratic outrage.

Mr Harper: That argument might be credible if I did not remember all the programme motions that the hon. Gentleman voted for in the last Parliament. Indeed, Labour Members opposed both the second programme motion on this Bill, which added six hours of debate, and the original programme motion, which ensured that we had more debate last week than we otherwise would have done. When we gave the Committee more time—to take account of the statement on the strategic defence and security review and the, quite rightly, lengthy statement on the comprehensive spending review—Labour Members voted against extra compensatory time. Labour never gave such compensation when we debated important provisions.

7 pm

John Mann: I thank the Minister for generously giving way again in the limited time available today. Does he not remember criminal justice Bills of the past, for example, when some of us sat in Committee every Tuesday and Thursday for three months going through them clause by clause, word by word? In the case of the Legal Services Act 2007, amendments were tabled by Members in all parts of the Committee week after week, to improve the Bill. The then Government were sensible enough to listen to their Back Benchers in detail in Committee.

Richard Graham (Gloucester) (Con): Will the hon. Gentleman give way?

John Mann: Why do the Minister and his mate from the Liberals—the Deputy Prime Minister, who cannot even turn up—not have the courage of their convictions and listen to arguments on amendments, including from their own side of the House, to improve their rotten Bill?

Mr Harper: I can see why my hon. Friend the Member for Gloucester (Richard Graham) was confused and tried to intervene on the hon. Gentleman. That was a very lengthy intervention, almost worthy of a speech.

We have made considerable provision for debate, and when the Government provide extra time, the Committee needs to debate a Bill sensibly. To be fair, most Members have done so, but I cannot help but observe that most of the extra time that we added for the past couple of days

was almost entirely used up by the hon. Member for Rhondda. Rather than comment, I will let Members judge for themselves whether he used that time well.

Angela Smith: However much time the Government give the Bill on the Floor of the House, it will not make up for the lack of the pre-legislative scrutiny that it should have had.

Mr Harper: My hon. Friend the Member for Brecon and Radnorshire (Roger Williams) dealt with that point very well in his intervention. As my hon. Friend the Deputy Leader of the House has said, if there was pre-legislative scrutiny of everything at the beginning of a new Parliament, with a new Government having been elected, there would be a huge gap in the programme. He has made it clear that taking the Government's programme as a whole, we will almost certainly end up allowing more scrutiny of draft Bills than any previous Government.

Angela Smith: With respect, is not a Bill relating to constitutional reform of such significance that the Government should have waited and gone through a pre-legislative scrutiny process before bringing it to the House?

Mr Harper: All that I can say is that we can examine the comparative records. In the last Session under the Labour Government only four Bills had pre-legislative scrutiny. We will end up with twice as many, so our overall record will bear comparison

I am not sure whether he meant it, but the hon. Member for Alyn and Deeside (Mark Tami) accused us of putting the horse before the cart and proceeding at a gallop. I represent a rural area, so I think I have got this right: putting the horse before the cart seems to be the right thing to do, as does proceeding at a gallop. I do not see any problem with that.

Mark Tami: It was actually my hon. Friend the Member for Rhondda (Chris Bryant) who said that, not me. As I asked the Minister earlier, will he resign now?

Mr Harper: I will not, but I will of course correctly assign the comment to the hon. Member for Rhondda. It perhaps demonstrates that he needs to learn a little more about horses and carts before he makes such allusions.

The hon. Member for Rhondda mentioned combined elections and said that the Government had chosen the date of other elections for the referendum. I cannot help but observe that in both 2001 and 2005 the previous Government specifically chose to have general elections on dates when county council elections were already planned. They knew that in advance, and the elections were combined. They ran perfectly well and passed off without incident. I do not have any complaint about that, but for the Opposition to complain about our choosing to have a referendum on a date when there are other elections seems a bit rich.

Chris Bryant: I think I am right in saying that the hon. Gentleman has just said that the 2001 general election was held on the same day as the local elections. It was not: it was held in June, which was when I was first elected. That is yet another reason for him to resign.

Mr Harper: No, not at all, because the local elections were also held in June, because of the foot and mouth outbreak. Both sets of elections were moved, and they were on the same day, so it is the hon. Gentleman who should resign. I remember that very well, because my constituency was badly hit by the foot and mouth outbreak and the shambolic way in which it was handled by the Labour Government. That was one good reason why I was elected in 2005, and re-elected this year.

Kevin Brennan: On pre-legislative scrutiny, if we are going back to 2001, I will mention that the first Bill that I served on in that Parliament, the Adoption and Children Bill, went through a Special Standing Committee procedure. We had some evidence sessions before the Bill was considered in Committee. It would have been perfectly possible for that to happen with this Bill. Would not the opportunity to take evidence for a few days before Committee stage started—rightly, on the Floor of the House—have made the Bill stronger, and its passage through Parliament better informed?

Mr Harper: I have said both today and on earlier days that notwithstanding the short time available to it, the Political and Constitutional Reform Committee did a sterling job of taking evidence and producing a comprehensive report on the Bill. We have examined what it said with great care, even though we do not necessarily agree with it.

The other point that I would make on that subject is that at business questions last week, when some hon. Members were complaining about the amount of time available, an Opposition Member who speaks for her party from the Front Bench complained that we were allowing too much time. She said that it was not very helpful that the House was sitting late, and asked what we were going to do to make the hours of the House more "predictable and family-friendly". I can only observe that there is a balance to be struck. Some Members think we should sit all night, but when we allow more time, others criticise us for making the House less family-friendly. Opposition Front Benchers cannot have it both ways.

I wish to pick up some of the points that the hon. Member for Rhondda made. He alluded to what I said about combining elections in Northern Ireland, and said that there was not currently any provision to do so. There is provision to combine local elections in Northern Ireland with UK parliamentary elections, and that already takes place, but there is no power in existing legislation to combine Northern Ireland Assembly elections with Northern Ireland local elections. If we did not have such provision in the Bill, they could not be combined and would have to be run separately.

The hon. Gentleman's amendments seeking to remove the provision for combining elections would not prevent elections from happening on the same day. They would just make it impossible to combine them. They would have to be run completely separately, which would incur extra cost and more complexity. Returning officers and counting officers could not ensure that the arrangements for those elections were brought together to work more

[Mr Harper]

sensibly. Those proposals would therefore not take us any further forward. We would still have the elections, but there would be more cost and complexity. He does us no favours by suggesting that.

I made a point about poll cards earlier, but I shall repeat it, because it came up in the contributions of the hon. Gentleman and a number of other hon. Members. Poll cards will confirm the voting arrangements that will apply to particular electors. When they get their cards, electors will know whether they have a postal vote in place, which of the elections they are entitled to vote in, and therefore whether they need to apply for a postal vote for any of the elections. The fact that poll cards will have that information on them will be very helpful.

The hon. Member for Rhondda also mentioned some of the other elections that we propose to combine. I want to correct a small error. I think that I said that five mayoral elections were planned for next year, but the figure is four. I shall list the places for the hon. Gentleman's benefit: Bedford, Middlesbrough, Mansfield and Torbay. It is possible that further mayoral elections or by-elections might take place next year, and our combination provisions would cover them.

The hon. Gentleman mentioned local government referendums. I understand that several petitions have been registered with local authorities about referendums for directly elected mayors. We think that at least some local referendums are likely to take place. If they are held on the same day, we and the administrators believe that it would be sensible to combine them.

I have already spoken about amendment (a) to new clause 20 to limit the combination of elections. The amendment would not stop the elections happening; it would simply mean that administrators could not take them together. That does not help. I understand the views of hon. Members who do not agree with combination, but we had a lengthy debate of around five and quarter hours about that on the first day of our Committee proceedings. We had the argument and the Committee made a decision. If we accept that the elections will take place on 5 May, the Government amendments intend to ensure that they work sensibly, instead of rerunning the debate about whether they should be held on the same day.

Chris Bryant: I understand the thrust of the Parliamentary Secretary's remarks, but I am not sure that he is right. New schedule 2 refers to England, and although we discussed other elections in Wales, Scotland and Northern Ireland, we did not have a debate about whether English local elections should be held on the same day as the referendum.

Mr Harper: No, but we had a debate about whether the referendum should take place next May. If it does, it will be on the same day as the local authority elections. The Committee made a decision about the day on which it wanted the elections to take place—5 May.

Amendment (c) to new schedule 2 deals with the colour of the ballot paper. The current wording of new schedule 2 matches the version that is used in existing combination legislation, which has worked well for several years. The first sub-paragraph of amendment (c) is unnecessary. We do not believe that it is appropriate to give the chief counting officer first choice of colour for the ballot paper for the referendum, partly because of showing respect to the other polls on that day. I cannot remember who raised the point, but there may well be custom and practice about the colour of ballot papers for particular elections in different parts of the UK. We think it appropriate to allow returning officers to continue with their usual custom and practice and to choose a different colour for the ballot paper for the referendum to make it easy for voters to tell the papers apart.

Much to my surprise, amendment (d) is one of two topics on which I agree with the hon. Member for Bassetlaw (John Mann). The flexibility that we have allowed on combining poll cards would allow counting officers to make local decisions, which reflect conditions on the ground. There may be particular reasons for that. Returning officers have adduced logistical reasons why printers, distributors and sometimes other administrators cannot combine poll cards. It is not sensible to legislate for something that cannot be delivered on the ground. Our proposals are more sensible and leave the decisions in the hands of officials who can respond to local conditions.

On ballot boxes, my hon. Friend the Member for Burnley (Gordon Birtwistle), who is in his place, made the point well that we want to allow flexibility for administrators to do what makes sense. In some places, where there is only a small polling station, multiple ballot boxes might constitute overkill. Even if there are separate ballot boxes, one cannot guarantee that papers from the election or the referendum do not go into the other ballot box. One must therefore still take all the papers out, separate and verify them. Again, it is much more sensible to leave that decision to administrators, who can take account of local circumstances.

7.15 pm

On amendment (g), which deals with the register, I again agree with the hon. Member for Bassetlaw. Our approach permits but does not require registers to be combined. Again, that is the standard practice for combined polls. Amendment (g) would add much extra complexity and force counting officers to maintain and mark several separate registers. Those decisions should be made locally. As has been said, local people have to run the elections, and they will make sensible decisions.

The right hon. Member for Belfast North (Mr Dodds) spoke about counting, and amendment (j) deals with counting priority. We do not believe that the amendment is necessary. Government amendments on combination already provide that returning officers must count the votes for the elections as soon as practicable after receiving the separated ballot papers from the counting officer. The chief counting officer has a power of direction over the timing of the referendum count. We have made it clear, as has the chief counting officer—the chairman of the Electoral Commission—that the votes in the referendum on the voting system are expected to be counted after those in the elections.

Verification was mentioned, and it must conclude before any count is declared, but it is not necessary for it to conclude before the counts start. The election counts can therefore start straight away, but they cannot conclude until the verification of both the elections and the referendum is done to ensure that all ballot papers have been accounted for.

Amendment (i) deals with Members of Parliament attending counts. As drafted, the amendment is flawed because it would allow Members of Parliament to attend the counts for local authority, mayoral and parish council elections and the local government referendums, but it would not allow them to attend the count for the referendum on the voting system for the House of Commons. I do not think that the amendment reflects the intention of the hon. Member for Rhondda.

I expect the count for the referendum on the voting system for the House not to take place until Monday 9 May, because of prioritising the elections and our respect for the fact that in Northern Ireland counts do not usually take place on Sundays. Of course, on Monday 9 May, Members of Parliament will not be able to attend counts because they will be in the House attending to their important parliamentary duties. If Members of Parliament do not have important parliamentary duties in the House, they could attend counts in the usual way, either by applying to the Electoral Commission to become accredited observers or by being appointed by a permitted participant—one of the political parties—as a referendum agent. Amendment (i) is therefore unnecessary.

Chris Bryant: I seek clarification from the Parliamentary Secretary. He said that the three territorial authorities had laid their statutory instruments, but there is nothing in the Vote Office yet. The Scottish statutory instrument is available online, but not in the Vote Office. I hope that he will check the facts for us later.

Mr Harper: My information was that we had laid the three territorial orders in the Table Office. I think that that is correct—indeed, I confirm that it is.

Kevin Brennan: Do I take it from the Parliamentary Secretary's comments about attending the count on a Monday that he expects no member of the Government to attend any of the counts for the AV referendum?

Mr Harper: I did not say that. I assume that most Members will have duties in the House and in other places. If they do not, of course they can attend the counts. However, I foresee that most Members of Parliament will have important matters to tackle here, instead of attending counts in local authority areas or in Scottish Parliament, Northern Ireland Assembly or Welsh Assembly constituencies.

Mark Durkan *rose—*

Chris Bryant *rose—*

Mr Harper: I am faced by a galaxy of choices. Let me give way to the shadow Minister first and then to the hon. Member for Foyle (Mark Durkan).

Chris Bryant: The Minister may be right that somebody has given the statutory instruments to the Table Office, but they are not available in the Vote Office. It would be for the convenience of the Committee if the Government provided copies to the Vote Office today, so that hon. Members can read them before we finish the amendments.

Mr Harper: I said that the Government would table the territorial orders today, because it is in relation to those orders—now that we have them and they are available—that we will be able to table amendments after the Committee stage finishes, for discussion on Report. The new clause and the Government new schedules that we have been debating today, and on which I will ask hon. Members to vote, refer to the law as it currently is, prior to the tabling of the territorial orders. Those orders are not needed for Members to deliberate today; they are needed for Members to table amendments for debate on Report, and they will be available to Members in good time for those debates.

Chris Bryant: I am just asking a simple thing, which is that the Minister should help the Committee. He says that all the statutory instruments have been tabled, but although the Scottish one is available online, the Welsh and the Northern Ireland ones are not. Would it not be simpler if he provided a few copies to the Vote Office? What possible difficulty can that give him?

Mr Harper: As with his lengthy speech, the hon. Gentleman is just going around creating confusion where there is none. The territorial orders that we have laid today—and we have laid them today—will be available for Members in good time for the debate on Report. The debate that we are having today is about new clause 20 and the Government new schedules, which, as he well knows, relate to the law as it currently is, prior to the tabling of the territorial orders, so he is creating a problem where none exists.

Mark Durkan: The Minister referred to the fact that the provisions on postal votes in Northern Ireland, as provided for in the Government's new schedules, are not the same as those provided for elsewhere. Given that he has spent a lot of time dealing with the various Opposition amendments, will he now address that issue? The hon. Member for Rhondda (Chris Bryant) said that there could be further amendments from the Government. Will the Minister also address that issue, and tell us whether we are awaiting further amendments from the Government on postal voting in Northern Ireland?

Mr Harper: This is not a secret: I set out what we were going to do in the letter that I sent to all hon. Members who took part in the debate on Second Reading, and to the Opposition and the leaders of each party represented in the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly. What we are going to do is complex, but simultaneously straightforward, which is to have tabled the combination amendments today—that is, the new clause and the Government new schedules, based on existing legislation, which we are debating. The territorial orders updating the legislation have been laid today in the Table Office. When the Committee concludes today, the Government will, as I said in my letter, table amendments that we can debate on Report—if they are selected by the Chairman of Ways and Means—that will be based on the new legislation. The territorial orders that have been laid today will be available in good time for Members to decide whether they want to table any amendments for discussion on Report, because they will be available for Members to see tomorrow. I hope that that helps the hon. Gentleman.

I have set out, at some length, our response to the amendments standing in the name of the hon. Member for Rhondda. As I said at the beginning of this debate, I

[Mr Harper]

would urge hon. Members to support our new clause and our new schedules, and to oppose the hon. Gentleman's amendments.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 335, Noes 207.

Division No. 96] **[7.24 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Llwyd, Mr Elfyn
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lucas, Caroline
Luff, Peter
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob

Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Bill Wiggin and Mr Philip Dunne

NOES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Weir, Mr Mike
Whitehead, Dr Alan

Wicks, rh Malcolm
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Angela Smith and Phil Wilson

Question accordingly agreed to.

New clause 20 read a Second time.

Amendment proposed to new clause 20: (a), leave out subsection (1) and insert—

(1) Where the date of the poll for a local authority election in England is the same as the date of the poll for the referendum, the polls are to be taken together.'.—*(Chris Bryant.)*

Question put, That the amendment be made.

The Committee divided: Ayes 222, Noes 317.

Division No. 97] **[7.40 pm**

AYES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fiello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hosie, Stewart
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kaufman, rh Sir Gerald
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and Phil Wilson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve

Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Opperman, Guy
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben

Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Mr Philip Dunne

Question accordingly negatived.

Amendment proposed to new clause 20: (b), leave out subsection (4) and insert—

(4) Where the date of the poll for a Northern Ireland Assembly Election is the same as the date of the poll for the referendum, the polls are to be taken together.'.—*(Chris Bryant.)*

Question put, That the amendment be made.

The Committee divided: Ayes 205, Noes 326.

Division No. 98] **[7.53 pm**

AYES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kaufman, rh Sir Gerald
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and
Phil Wilson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto

Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin

Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Mr Philip Dunne

Question accordingly negatived.

Question put, That the clause be added to the Bill.

The Committee divided: Ayes 327, Noes 214.

Division No. 99] [8.5 pm

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
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Freer, Mike
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Garnier, Mark
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Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
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Gyimah, Mr Sam
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Hames, Duncan
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Hancock, Matthew
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Harris, Rebecca
Hart, Simon
Harvey, Nick
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Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic

Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Bill Wiggin and Mark Hunter

NOES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hosie, Stewart
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kaufman, rh Sir Gerald
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily

Timms, rh Stephen	Wicks, rh Malcolm
Trickett, Jon	Williamson, Chris
Turner, Karl	Winnick, Mr David
Twigg, Derek	Winterton, rh Ms Rosie
Twigg, Stephen	Wishart, Pete
Umunna, Mr Chuka	Woodcock, John
Vaz, rh Keith	Woolas, Mr Phil
Vaz, Valerie	Wright, David
Walley, Joan	Wright, Mr Iain
Weir, Mr Mike	**Tellers for the Noes:**
Whiteford, Dr Eilidh	**Angela Smith and**
Whitehead, Dr Alan	**Phil Wilson**

Question accordingly agreed to.

New clause 20 added to the Bill.

Chris Bryant: On a point of order, Mr Streeter. As there was some discussion before that last set of votes about the statutory instruments to be laid by the Welsh Office, the Northern Ireland Office and the Scotland Office—

Bill Wiggin (North Herefordshire) (Con): It is the Wales Office.

Chris Bryant: I apologise and am very grateful to the Whip for that.

These statutory instruments are now available in the Vote Office and I note that the Scottish one is 205 pages long. There are two Northern Ireland instruments, not just one as was stated earlier. One is 59 pages long and the other is somewhat shorter; the Welsh one is quite short too. Would it not be extraordinary if these were not to be debated properly before Report?

The Temporary Chair (Mr Gary Streeter): I am very grateful to the hon. Gentleman for his point of order. I am sure that his comments have been heard by those on the Treasury Bench and the House is grateful to him for his assistance.

Fiona Mactaggart (Slough) (Lab): On a point of order, Mr Streeter. I have participated in many of the debates on this Bill, but it has been drawn to my attention that the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper) suggested that I had earlier today requested that there be fewer hours spent scrutinising this Bill. What I specifically said was that there should be fewer hours after 10 pm spent scrutinising this Bill, and we would have been able to achieve that had he and his colleagues acceded to the Opposition request for an additional day to debate it.

The Temporary Chair: I am grateful to the hon. Lady. That is not a point of order for the Chair, but I am sure that she is pleased to have put the record straight.

New Clause 7

VARIATION IN LIMIT OF NUMBER OF HOLDERS OF MINISTERIAL OFFICES

"(1) The House of Commons Disqualification Act 1975 is amended as follows.

(2) For section 2(1) substitute—

"(1) The number of holders of offices specified in Schedule 2 to this Act (in this section referred to as Ministerial offices) entitled to sit and vote in the House of Commons at any one time, whether paid or unpaid, must not exceed 95 if the number of constituencies in the United Kingdom is 650.".

(3) After section 2(1) insert—

"(1A) If the number of constituencies in the United Kingdom decreases below 650, the limit on the number of holders of Ministerial offices entitled to sit and vote in the House of Commons referred to in section 2(1) must be decreased by at least a proportionate amount.".

(4) In subsection (2), after "subsection (1)", insert "or subsection (1A)".'.—*(Mr Charles Walker.)*

Brought up, and read the First time.

Mr Charles Walker (Broxbourne) (Con): I beg to move, That the clause be read a Second time.

New clause 7 would amend the House of Commons Disqualification Act 1975, which currently sets the maximum number of Ministers allowed in this place at 95. As you know, Mr Streeter, part of this Bill, if passed, will bring about a reduction in the number of MPs from 650 to 600. My new clause is very modest in its scope. All I am seeking to do is to amend the 1975 Act to ensure that the ceiling for the number of Ministers is pushed down from 95 to 87, which directly reflects the percentage reduction in the number of Members of Parliament.

My new clause is very moderate. Many colleagues urged me to go further and to make a real assault on the patronage of the Executive, but I thought that that would be unreasonable and unreasonably ambitious. There might be voices of self-interest, largely residing on the Front Bench, who argue that we have the right amount of Ministers. They might even argue that we need more Ministers. I hope that I do not hear those arguments tonight.

Sammy Wilson (East Antrim) (DUP): Might there not be even more Back Benchers interested in increasing the number from 95 to about 195?

Mr Walker: The hon. Gentleman makes his usual sparky intervention.

Rafts of leading academics and political commentators have recognised for a long time that there are far too many Ministers in this place. Sir John Major, the former Prime Minister, has argued that we could easily do as well with a reduction of 25% to 30%. Lord Turnbull, the former Cabinet Secretary, told the Select Committee on Public Administration earlier this year that the number of Ministers could be cut by 50%. Professor Anthony King has argued the same, as has Lord Norton of Louth.

Of course, those academics and political commentators are in good company. Our own Deputy Prime Minister argued in January that the number of Ministers should be reduced.

Fiona Mactaggart: Has the hon. Gentleman spoken more recently to the Deputy Prime Minister, because it is my impression that he is not likely to say today the things he said in January?

Mr Walker: The Deputy Prime Minister is a man of great integrity. I recognise that this is his Bill, and once he has heard the force of my argument he will rush here and demand a rethink from his Front Benchers.

Speaking at the Institute for Government in January, the Deputy Prime Minister called for the House of Commons to be reduced to 500 and for the number of Ministers across both Houses to be cut to 73. The Government's demands are much more moderate. They are talking about reducing the size of the House to 600, but if we reduce it to 600, following the Deputy Prime Minister's logic, we should reduce the number of Ministers by 15. That would tally with his mathematics, but, as I said, my new clause is modest. I am not calling for a reduction in the number of Ministers by 15. I know that many Members are demanding that I do that, but I shall not hear it. I am simply demanding a reduction in the number of Ministers by eight.

Many people here have argued privately in the corridors that there is no link between the size of the House of Commons and the number of Ministers. That is total nonsense. We know that as far back as the Bill of Rights of 1689 this House expressed concerns about the Crown having a presence here in the form of Ministers. The 1701 Act of Settlement tried extremely hard to remove Ministers from this place, because the politicians of that time wondered how one could serve the Crown as well as one's constituents. Unfortunately, that never saw the light of day because the Executive got their way in 1706. As recently as 1926, if someone became a Minister of the Crown, he was required, in between general election periods, to resign his seat so that his constituents could decide whether their Member of Parliament could serve two masters—the interests of the constituents and the interests of the Crown.

That is where I am coming from. I am arguing for a modest reduction in the number of Ministers. We have had enormous ministerial inflation since 1983. Margaret Thatcher—we all remember her, that great lady—had 81 Ministers to run this country in 1983. We now require 95. Is the world so much more complex? I say to those who argue that it is that since 1983 we have privatised a large number of previously Government-owned industries and we have allowed Scotland, Wales and Northern Ireland to have their own devolved Assemblies. The number of Ministers has still risen inexorably.

I do not want to try your patience, Mr Streeter, by straying off new clause 7 and talking about inflation in the number of Parliamentary Private Secretaries, but we are now seeing 50 PPSs adding to an already burgeoning payroll. Although these people are not even paid, they are called the payroll vote. As far back as the 1960s, one could be a PPS and vote against the Government without danger of losing that role, but that is not the case today. The civil service code of conduct says that a PPS is required always to support their Government.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I am mystified as to what the role of a PPS has to do with the civil service code.

Mr Walker: My hon. Friend is absolutely right to correct me. It is the ministerial code, which is similar to the civil service code.

Those on the Front Bench might well argue that they have made progress in reducing the cost of the ministerial payroll. They will argue—it is a bit of a red herring—that on taking the seals of office, Ministers took a 5% pay cut. In reality, they did not take a pay cut, because they went from being in opposition to being in government and took a 25% to 50% pay rise. It just was not as large a pay rise as it could have been.

The savings to the ministerial payroll are about £500,000, not an insignificant sum. Lord Turnbull said to the Public Administration Committee that the average cost of maintaining a Minister, with private offices, cars and private secretaries, is £500,000 per Minister. By reducing the ministerial payroll by eight in 2015, we will save the taxpayer a further £4 million. While we are at it, we might like to consider the 10 unpaid Ministers we have across the two Houses, because if we got rid of them we could save another £5 million. However, that is an argument for another time and another place.

Mr Streeter, you know better than anyone that we live in an age of austerity. Things are changing. We are dismissing senior permanent secretaries from across the civil service. We are removing chief executives of councils and their directors. We are attacking senior and middle management across the country, yet there is one group of senior management that is completely immune to these cuts and that is the ministerial corps. Yes, we are all in it together, but not quite if one is a Minister. I do not think that any good argument could be presented from those on the Front Bench for not reducing the ministerial head count.

I am an enormous fan of the coalition and the Prime Minister, and I think that the coalition is what the country needs at this time. Both the Prime Minister and the Deputy Prime Minister have talked about new politics, a new way of doing things and a new optimism. New clause 7 is the litmus test for new politics, because I do not understand how we can have new politics and oppose reducing the Government's patronage at the same time. I hope that Front Benchers can respond to that point.

To colleagues who are, perhaps, being leaned on by the Whips, I say that this is our chance to take ownership of new politics, which cannot be driven by Front Benchers and the Executive because the Executive are all about taking and retaining power and extending the tentacles of patronage even further. We as Back Benchers will take ownership of new politics tonight; we will do the heavy lifting for the Executive. By going into the Lobby and supporting new clause 7, we will be able to look our constituents in the eye when we go for reselection after the boundary review or the general election and say, "I was different." When they challenge us with that worn cliché, "You're just the same as the rest of them. You're only in it for yourself," we can say, "You are wrong. I was one of those Members of Parliament in 2010 who voted to reduce the number of Ministers."

I have spoken for too long. In conclusion, new clause 7 is the very essence of new politics. The House and my colleagues have the chance to do the right thing tonight and I hope that they take that chance, because they will be respected for it if they do.

8.30 pm

Sir Peter Tapsell (Louth and Horncastle) (Con): I wish to speak in support of new clause 7, which was so ably introduced by my hon. Friend the Member for Broxbourne (Mr Walker), and to comment on the related issues of the number of MPs and the number of Ministers with which it deals. Paragraph 24 of the coalition programme for government, the contents of which we are, in part, debating today, starts with the words:

"The Government believes that our political system is broken. We urgently need fundamental political reform".

[Sir Peter Tapsell]

I totally dissociate myself from that shameful statement. If it were true, all the political leaders of recent years ought to resign their seats because they would be responsible. Our "political system is broken" it says. That was the slogan of Oswald Mosley and the British fascists when I was a boy. Mosley spent the war in prison and the political system he despised and described as broken triumphed at home and abroad. Our political system is not broken. We have had some nincompoop Front Benchers, some expense-fiddling Back Benchers and even some who managed to qualify under both categories, but our political system is basically sound and, in parliamentary terms, not very different from what it was in 1945, 1918 and 1815.

It is the duty of an incoming Government in a democratic country to work within the rules and conventions of its political system, not to change those rules and conventions to fit their temporary party political convenience—that is a privilege usually reserved for banana republics. That is why I am opposed to all the so-called constitutional changes proposed in the coalition programme. The Deputy Prime Minister said yesterday—appropriately on "Desert Island Discs"—that when he met the leader of the Conservative party after the election, they agreed together that in the general election both their parties had lost. We should try to reverse that decision of the electorate not by changing the rules of the game but by raising the standard of government. We do not have too many MPs: we have too many Ministers and too many placemen, to use Sir Robert Walpole's phrase to describe the proliferation of what Disraeli later described as the Tadpoles and Tapers of politics, who are now being proliferated to an astonishing degree.

In 1900, when we were the richest and most powerful nation in the world, there were nine Parliamentary Private Secretaries. By 2000, the number had gone up to 47 and it is rising daily.

Mr MacNeil: The hon. Gentleman said that in 1900 the UK was the richest nation in the world. Today, in *The Scotsman*, I read that among the top 15 most prosperous nations, the UK finds itself in the unlucky 13th place, behind Norway at No. 1 and noticeably behind Ireland and Iceland, respectively at 11th and 12th. That is just a point of information.

Sir Peter Tapsell: It is very interesting—even if incomprehensible to me. I make the point in passing that Scotland has gained even more than Britain from the combination of our two countries since the Act of Union.

Mr MacNeil: Does the hon. Gentleman feel that the Irish Republic would be better off as part of the UK, or has the Irish Republic prospered and done far better by leaving the UK?

Sir Peter Tapsell: Curiously enough, I shall come to the question of the Irish Republic a little later in my remarks, if the hon. Gentleman will bear with me.

Although by 2000 the total number of MPs involved in Government had already gone up from 42 in 1900 to 129, the number of Cabinet Ministers has not greatly increased. It is the number of loyal, but little known and easily sackable bag carriers that has ballooned. At the election, we in the Conservative party were pledged to make Government more answerable to Parliament. How is that to be achieved by maintaining the number of Ministers and increasing the number of PPSs, yet at the same time reducing the number of MPs? At this rate, genuine Government Back Benchers will become a threatened species. There will be no more Pitts attacking Walpole, no more Disraelis attacking Peel and no young Macmillans attacking Chamberlain, yet that is part of the lifeblood of our parliamentary story.

On what grounds is it claimed, historically, statistically or in terms of accommodation, that we have too many MPs? Germany, Australia and the United States, with their federal structures, have far more elected representatives, at various levels of their constitution, than we have. Over the past two centuries, our population has increased from about 16 million in 1800 to about 62 million today. We now have 650 MPs. The proposal is to reduce the number to 600. In 1801, shortly before Trafalgar, there were 658 MPs. In 1885, in the heyday of Liberalism, there were 670 MPs. In the 1918 general election, 707 MPs were elected to the House, before the southern Irish were hived off in 1922—the year in which the Back Benchers of the Tory party reasserted themselves and got rid of Lloyd George.

Universal suffrage was not fully achieved until 1929, but in the two previous centuries the voteless masses were never out of the minds of wise MPs and Ministers. In 1801, the number of people, as distinct from voters, in each constituency averaged 24,000—although it varied a good deal from constituency to constituency. Today, the number is 95,000 and the majority are electors. If we reduce the number of MPs to 600, as is proposed, that average population figure will become 103,000, quadrupled from the 25,000 of 1800 when they had more MPs than we have today. Also, the demands of a constituency on its Member of Parliament have enormously increased in recent years. In my first Parliament, I shared one secretary with two other young and active MPs; now I have three secretaries working for me alone.

Coalition Ministers, in their programme document, claim to hold our political system in contempt, but the strange fact is that the part of the system that undoubtedly works best is that in which the Government are least involved. The best aspect of modern politics is the close personal relationship between MPs and their constituents. Its closeness and extent is unique. Even in Switzerland, the cantonal MP is not seen as being so close and available as most MPs of all parties are seen to be by their constituents in Britain.

While the media and many members of the public often express contempt for our leading political figures—but not, of course, for the Leader of the House—at grass-roots level, whatever the politics of their MP, people are more likely to say, "My own MP does a good job in the constituency, and when I am in trouble, I know that he will do his best to help me." That is the strongest of all the present bulwarks of our democratic parliamentary system.

At a time of economic failure, disgruntled police, fearful public servants, a neglected army and hostile trade unions, which in many countries would be regarded as a dangerous quintet, why tamper with that bulwark? When there are so many more pressing issues to be solved, why set many MPs, even of the same party—or

particularly of the same party—at the political throats of their neighbours, as rumours of boundary changes begin to abound? My local press has already speculatively redrawn the six Lincolnshire constituencies and abolished one of them, to general dismay and the discouragement of activists of all parties. Why muddy the political waters with the inevitable charges of gerrymandering, which are certain to be thrown about?

Very wisely, in the United States, changes to the actual constitution occur only very rarely, after years of discussion, and they require a two-thirds majority of both Houses of Congress and the approval of the Supreme Court. In this debate on new clause 7, I have spoken about only two aspects of the so-called constitutional reforms, but in my view, the wide range of constitutional and electoral changes proposed by the coalition Government, taken as a whole, and introduced so early in the life of a Parliament full of new Members, constitute an attempt at a peaceful, political coup d'état, with the sole object of securing the position of Ministers. They have no mandate for the Bill from the country. I therefore urge this Committee to accept new clause 7, and urge the House in due course to reject the whole Bill on Third Reading.

8.45 pm

Fiona Mactaggart (Slough) (Lab): I had not intended to speak in the debate, although I support the proposal in the new clause. I am quite certain that our most important role in this place is that of representing our constituents, and I agree with the hon. Member for Louth and Horncastle (Sir Peter Tapsell) that that relationship between the Member and our electors is the most special thing about my job. That is what most Members of Parliament think.

The problem is that that relationship is not sufficiently rewarded by the structures of this place, and in some ways the new clause goes to that issue. It challenges a reward system which says that success is achieved only by being a Minister. I have history here, because I am one of the very few people who, when they were a Minister, asked the Prime Minister to stop making me a Minister because I had had enough. I wanted to jump off that gravy train, for a number of reasons. One of them was that I believed that my responsibilities as a Minister interfered with the relationship that I had with the people of Slough whom I have the privilege to represent.

I have been complaining about late-night debates on the Bill and I did not plan to intervene until the hon. Member for Louth and Horncastle spoke. We need to listen carefully to what he said, because his speech was not just about the new clause. It was not just about the number of Ministers. It was an analysis that showed that the Bill is looking down the wrong end of the telescope. The Bill protects the interests of those in government—in power—at the expense of those who put us there. It is not sufficiently focused on the electorate of Britain, on the masses whom we have the privilege to represent, and it is too focused on those who have scooped up the power in what he calls a coup d'état.

In a way, the hon. Gentleman is entirely right. I do not quibble with the fact that the result of the election required a coalition to be created. I am also of the view that the coalition had to be created between the largest party and a partner. But I quibble with the kind of constitutional change that the Bill seeks to bring about, not prefigured properly in any party's manifesto, being rammed through the House of Commons without proper consideration.

That speaks to us about the consequences of not having a written constitution. There are some merits in not having a written constitution. It can create some flexibility and some opportunities to be imaginative and to solve problems as they arise, but it has risks, and today we are in the middle of one of the biggest risks. Without a written constitution, people can take liberties with the constitution. That is happening right now. Liberties are being taken, and those taking the liberties are those in government, who see the reward of elections—the highest thing that they can achieve—as Government office, not representing the masses.

Those of us who think that representing the people of Britain is our highest achievement should say that we will support the new clause and that we will not accept a situation in which a third of those on the Government Benches are on the payroll. That is not acceptable. It is not satisfactory and it creates huge cynicism among the electorate of Britain. I cannot blame them for thinking that politicians are rogues. Most of us in this place know that most are not, but when the system means that people cannot say what hon. Members and I know they think because they are on the Government Benches and they have to just suck it up, that makes people think that politics has no authenticity and that it is dishonest. That is damaging to democracy.

Chris Bryant: I congratulate my hon. Friend on her splendid speech. I had not realised that she was going to end so swiftly.

We have had excellent contributions. The hon. Member for Broxbourne (Mr Walker) said that he lacked ambition. That is clear, I suppose. That has been underlined with three lines from the Whips, but I praise the motion that he tabled. It puts into a new clause the question that I asked the Deputy Prime Minister some few months ago: if the Government plan to cut the number of seats in the House of Commons and do not plan to cut the number of Ministers, surely that will increase the influence of the Government—the Executive—over Parliament. I wholeheartedly support the argument that the hon. Member for Broxbourne made this evening.

Mr MacNeil: May I charitably suggest that although the hon. Member for Broxbourne (Mr Walker) might lack personal ambition, he certainly does not lack ambition for the House and its wider membership, which will have been noted on both sides of the House?

Chris Bryant: Of course; I did not mean to be ungenerous to the hon. Member for Broxbourne, as I think he well knows. I was praising his ambition, which need not be for the greasy pole—it might be for other things in life.

The right hon. Member for Louth and Horncastle (Sir Peter Tapsell)—

Sir Peter Tapsell: I am not right honourable.

Chris Bryant: Well, the hon. Gentleman should be. He carries himself as if he were right honourable—if not most reverend as well.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): He was magisterial.

Chris Bryant: Yes, he delivered his remarks with a magisterial largesse—*[Interruption.]* No, I was not going to say laissez faire.

The hon. Member for Louth and Horncastle made some extremely good points, and I hope that many Members will reject the Bill on Third Reading for precisely the reasons he advanced. One of the arguments I have tried to make throughout is that I fully understand why many hon. Members feel that, following the expenses saga in particular, we need to be very humble about the authority of the House and individual Members. However, we should not throw the baby out with the bathwater. We should be proud of our representative democracy and the system we have. It does not work perfectly. There are things that have to be improved. As in the church, there will always be things that are semper reformanda. However, we should not in the process suddenly start to say that the whole of the political system is corrupt, wrong and rotten, and that therefore we have to start all over again.

I differ from the hon. Gentleman on one point. He said that the system is not much different from that in 1945, 1918 and 1850—

Sir Peter Tapsell: 1815.

Chris Bryant: 1815?

Sir Peter Tapsell: Waterloo.

Chris Bryant: Well, my point remains. Neither in 1815 nor in 1850 were miners able to vote, because they did not qualify under the franchise. In 1885, they were allowed to, but women were not. One can make significant changes to the system, although I think the hon. Gentleman holds a different view from me about reform of the House of Lords. That is where I agree more with the Government Front-Bench team. I do not know whether the hon. Gentleman had any particular tadpoles or nincompoops in mind—I can see some images flitting across his mind now, which suggests he had some specific people in mind.

The hon. Member for Broxbourne referred directly to the argument that the Deputy Prime Minister made in January in favour of cutting the House of Commons to 500 Members and the number of Ministers to 73, but of course that is not at all the proposal before us. The right hon. Gentleman has adopted neither measure. It might be that having picked one tune on "Desert Island Discs" on Sunday, he changes his tune entirely when it is replayed on Thursday. That is clearly the situation we have at the moment.

Our system has changed over the generations because it has not been considered right and proper that Ministers thought of their salary or pension as just a tiny part of their remuneration for being in hock to the Crown and that all the other monopolies and benefits accruing by virtue of how they operated their ministerial office brought in far more money. It was Edmund Burke who, in 1782, first introduced changes that meant that Ministers of the Crown had to rely on the properly arrived at financial provisions, rather than on the previous system which was completely and utterly corrupt. As Macaulay said of the 18th century:

> "From the noblemen who held the white staff and the great seal, down to the humblest tidewaiter and gauger, what would now be called gross corruption was practiced without disguise and without reproach."

Many in previous generations exercised their ministerial functions solely on the basis of financial corruption. Ministers accumulated enormous fortunes by virtue of being Ministers. It is right and proper that we do not have that system today, and if anybody in the British political system does accumulate, by virtue of their political office, an enormous fortune, there is something going wrong—IPSA must have allocated everything that we have all claimed to just one individual Member.

There was substantial change in 1831 through the Select Committee on the Reduction of Salaries. It suggested a completely different structure, which ended up with William Pitt the Younger, when he was First Lord of the Treasury, earning just £5,000 by virtue of that post, although he had other posts that earned him some £4,300. Today, that would be a considerable amount of money for ministerial office, but at the time MPs were not paid at all.

Today's system relies on two pieces of legislation from 1975, the Ministerial and other Salaries Act, and the House of Commons Disqualification Act, to which the new clause in the name of the hon. Member for Broxbourne refers. Both specify that the number of Ministers shall be 95. The Ministerial and other Salaries Act also lays out how many Cabinet Ministers, Ministers of State, Whips and so on there can be, and it is my simple contention that if one wants to limit the number of Members and ensure that the proper legislative scrutiny function of this House is performed, one has to cut the number of Ministers.

Mr David Hamilton (Midlothian) (Lab): When the hon. Member for Broxbourne (Mr Walker) spoke to his new clause, he made the very good point that, at a time when we are talking about reducing not the number of councillors throughout the UK, but the administrative costs, the chief executives, the directors and so on, it is incumbent on us to talk about changing the Executive and reducing the Executive's power.

Chris Bryant: That is right. If we really are to have new politics—that rather amorphous term to which the coalition agreement alludes—it must accept something that we the Opposition were too reluctant to accept when we sat on the Government Benches: that Parliament, when it is free to do its job, does its job better than when it is constrained.

The constraints are multiplying. The number of parliamentary secretaries is not quite growing daily, as the hon. Member for Louth and Horncastle suggested. He made it sound as if they were breeding and reproducing. The number is not growing daily. However, it is certainly true—

Sir Peter Tapsell: I was talking about PPSs.

Chris Bryant: Ah! Parliamentary Private Secretaries. Indeed, I was going to come to the point about PPSs, because the hon. Member for Broxbourne was absolutely right to say that they are included in the ministerial code of conduct. It is a bit odd that a list of PPSs is still not available to the public. If one goes to the Cabinet Office website, one finds that the most recent list refers to July 2009. There is a list on conservativehome.com, which is a website that Government Members might consult sometimes, detailing 22 Parliamentary Private Secretaries, but as I understand it there are considerably

more than that. The Government should be straight with the House and tell us precisely how many people are really on the payroll. By payroll, I do not mean that PPSs are in receipt of moneys.

The ministerial code of conduct, which incidentally every PPS should have been provided with and signed, although I suspect that most have not, makes it absolutely clear:

"Parliamentary Private Secretaries are expected to support the Government in important Divisions in the House. No Parliamentary Private Secretary who votes against the Government can retain his or her position."

I say again that this House does its job as a reviewing, revising and legislative body when it is freest from the shackles of patronage, but with the numbers of Ministers and PPSs having grown, there is already an unnecessary constraint on the real power of this House to do its job.

We have talked about what happens on the Government Benches, but what also happens is that the Opposition feel that they have to match the ministerial team—and of course, the PPS team—man for man and woman for woman, so we end up not with 95 Ministers but 190. *[Interruption.]* The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) is saying from a sedentary position that Labour did the same—yes, and I have already said that we were too slow to accept these points. However, there is a big difference. He is supporting a Bill to remove 50 Members of Parliament while keeping the number of the Ministers the same, which means that Ministers will form a larger percentage of the House.

When one includes Ministers and PPSs on the Government side and their shadows on the Opposition side, one ends up with a large number of people who are not entirely free to speak their mind because they are bound by collective responsibility. There are many things to be said in favour of collective responsibility: nobody wants to be run by a shower who are completely and utterly unable to organise themselves and exercise some discipline. However, we also need a significant number of people on the Back Benches who are able to deliver their verdict on legislation and to vote at all times entirely with their conscience.

9 pm

Mr Stewart Jackson (Peterborough) (Con): It seems to me that the hon. Gentleman is trying to have it both ways. He is arguing that people who are not members of the Government are a bulwark against an oppressive Executive, and I accept that. At the same time, he admits that his own Government—the previous Administration—got it wrong, and I agree. However, this is not necessarily just a numerical issue. We should cast our minds back to the Iraq war debates, when a huge Back-Bench cohort failed to hold the Executive to account on one of the most important issues of foreign policy in our country's history since the war.

Chris Bryant: I think I agree with the hon. Gentleman. In the previous Government we were not always as alive as we might have been to the fact that this House does its job best when it is most free to be able to do so. However, the difference that he has to face is that unless he intends to agree with the hon. Member for Louth and Horncastle, he is supporting a Bill that wants to cut the number of MPs from 650 to 600. That will, in effect, cut the number of Back Benchers, because it does not cut the number of Ministers. My argument is that if we are going to cut one group, we should cut the other. That is entirely in line with the new clause.

Mr Mark Field: Everybody accepts that collective responsibility is an important function, particularly in this media-savvy world in which we live, where it is important to ensure that any Government do not look like a shambles. Does the hon. Gentleman accept, however, that there is a distinction between collective responsibility for much of the legislation that goes through this House and this sort of Bill—a constitutional Bill that should not be subject to quite the same shackles to which he has referred?

Chris Bryant: I agree. That is why I have been trying to argue that Members such as the hon. Gentleman who have taken a long-standing interest in constitutional issues should feel free not necessarily to vote with their Front Benchers. I know that he has already exercised that right on several occasions.

Daniel Kawczynski: The hon. Gentleman says that having a large group of PPSs will make it more difficult to hold the Government to account, but some might argue that when Mr Blair was Prime Minister it was the rebellion among PPSs threatening to resign that finally forced him to go.

Chris Bryant: I know too much about that episode to want to divulge exactly what went on. The hon. Gentleman is a PPS now, is he not?

Daniel Kawczynski: Yes.

Chris Bryant: Right, but he is not yet listed on any publicly available list of PPSs. *[Interruption.]* Well, I am sure that the country is grateful and that people will welcome the hon. Gentleman with acclaim and instantly start putting up red and white bunting in honour of his historical associations with Poland.

My point is that the payroll vote has increased. It has increased because of the dramatic increase in the number of PPSs, which partly happened under our rule but I think is happening again at the moment. The increased payroll vote is not just because of that, though. It is also because of unpaid Ministers. I was an unpaid Minister for a while and sympathise with the Deputy Leader of the House, who is one now. We now also have a particularly interesting concept, which is a Liberal Democrat Whip who is not even an unpaid Minister but an organiser of the Liberal Democrats, but who is sort of on the payroll as part of the ministerial team. Clearly, because their job has the word "Whip" in it, they are expected to vote with the Government at all times.

In addition, a vast extent of patronage is still available to Prime Ministers. They can make Members chair an ad hoc committee or ask them to be a delegate to some conference here or there. The whole business of patronage can be profoundly dangerous to how we do our business. I have already referred to how that applies to Opposition parties.

I will be warm towards the Government briefly and say that they have made some moves to remove one element of that patronage, which we had suggested before and for which I remember fighting when Robin Cook was Leader of the House. They have done that

[Chris Bryant]

through the election of Select Committee Chairs. That has been entirely beneficial and I support it fully. I can see at least one Committee Chair in his place, and he is a splendid chap. He might not have become Chair of that Committee if it had been a matter of patronage, or if he had become Chair by virtue of patronage, he might not have felt so free to use his voice in these debates over the past few days. He has pointed in the direction of the new politics, but we can still go much further.

Of course we must consider the financial costs of ministerial office that can be saved, although I do not want to go too far down the populist route attached to that. Sometimes it is valuable to have Ministers who are properly supported and can do their job well. When I was in the Foreign Office it had only three Ministers in the House of Commons, which made it very difficult for foreign delegations to be met by a Minister from the Foreign Office. I do not know whether that did the United Kingdom any favours. I do not wish to adopt every populist measure that is thrown in front of us, or to kick it in the net, but I do want to ensure that the House has sufficient Members with Back-Bench independence to be able to hold the Executive to account.

Many of those who have made the most significant contributions to the House over the centuries have not only never sought ministerial office but actively declined it, from Andrew Marvell, who turned down office on five or six occasions, to Plimsoll, Bradlaugh and a series of others. They made dramatic changes to the lives of many ordinary people in this country, and they did not need ministerial office to do it. They were able to do it from the Back Benches.

Zac Goldsmith (Richmond Park) (Con): I wish to speak very briefly in favour of the new clause. There is a long history in this House of Members challenging the ever-increasing power of the Executive. We heard recently from the Leader of the House, who is not in his place:

"The terms of the trade between Government and Parliament have shifted too far in the executive's favour. That is not good for Parliament; but neither does it lead to better government."

The Prime Minister also highlighted those concerns in February, saying:

"We'd want to reduce the power of the executive and increase the power of Parliament even if politics hadn't fallen into disrepute."

We also heard from the Deputy Prime Minister before the election, which he described as

"an opportunity to turn the page on decades of relentless centralisation within government."

He argued for a dispersal of power away from the centre and a cut in the number of Ministers and Government Whips, saying:

"The rules of the game at Westminster are stacked in favour of the ruling party; parliament is rendered largely impotent to hold ministers to account."

We have heard over the past few days and weeks very strong arguments for equalising the size of constituencies and reducing the number of MPs, but to do that without also reducing the number of Ministers would profoundly undermine the authority of Parliament. The proposal is not radical, or even a solution to the problem that so many hon. Members have identified. It would neither minimise the power of the Executive nor increase that of the legislature. It merely calls for a reduction in the size of Government in line with the planned cuts to the number of Members of Parliament. In effect, it will do no more than prevent trends from getting worse.

If the Government are truly committed to decentralisation, they can demonstrate that today by backing the new clause. I strongly urge them to do that.

Mark Durkan: I support the new clause, to which my name, along with those of so many others from different parties, is attached in the unpublished list.

When considering the new clause, the Committee should bear in mind not only the experiences of the parties that form the Government and occupy the Government Benches, but those of the rest of us who come to the Chamber and the Committees of the House and are confronted with the realities of the Government Whip system and Parliamentary Private Secretaries—part of the peculiar ecosystem here—who can represent their constituents but are at times bound not to represent their consciences. The idea that someone can represent their constituents but never their conscience is a peculiar political creation, from which the House should try to get away. It brings politics into some disrepute if we appear effectively to neuter ourselves. The straits into which PPSs are cast are unnecessary; they should be allowed more freedom than they generally exercise or are encouraged or permitted to exercise.

New clause 7 led me to that issue by way of making a general observation about the dominance of the Executive in the House. In recent years there have been attempts to reduce the Executive's absolute control of the agenda and the timetable, and changes have been made from appointing Chairs of Select Committees to electing them. That is all to the good, but new clause 7 is the reality check. As the hon. Member for Broxbourne (Mr Walker) said, it is the genuine test of whether the new politics means anything.

I have no argument with reducing the number of Members of Parliament. I did not vote for 650 the other night; I am happy if there is a reduction. However, alongside that, we need a reduction in the size and voting dominance of the Executive in the Chamber.

Of course the answer to the problem of the over-supply of Ministers in this House is not to over-supply them in another place. In the previous Parliament not only many Ministers, but Cabinet Ministers—Secretaries of State—sat in another place. I joined others in criticising that lack of accountability. For me, the answer was not to bring Ministers from the Lords into this House—the last thing I wanted was to bring Peter Mandelson back anywhere, not least to the Dispatch Box, given our experiences of the man. On that famous occasion in Hartlepool, he said that he was not a quitter but a fighter. I always believed that his theme tune should have been the Simon and Garfunkel song "The Boxer"—not for the lyrics of the verses but for the chorus, which is simply "Lie la lie" throughout.

Chris Bryant: Certainly not "I am just a poor boy"!

Mark Durkan: I said, not for any of the words of the verses, but for the chorus. That alone would make a good theme tune for Peter Mandelson.

The answer was not to bring Lords Ministers into this place; the question was: why were there so many Cabinet Ministers in the Lords? The hon. Gentleman

referred to the fact that there are limits in statute on the number of Cabinet Ministers, but we saw how the previous Government got round that. They went to the limit for Cabinet Ministers and then had a series of ministerial high chairs put around the Cabinet table, so that lots of other Ministers had rights of attendance at Cabinet, simply to ensure that more Members of the House of Commons were in the Cabinet room than would have been there otherwise. That is the sort of lazy, sloppy, self-serving thinking that seizes parties in government. They use and abuse, and bend and flex rules and limits in ways that suit themselves, which does nothing to enhance the reputation of politics in general or this House in particular.

9.15 pm

We have a choice this evening with new clause 7. If the Government are being straight and sincere, they should accept the spirit of the new clause. I know that we will need other provisions to ensure that one way round this is not suddenly to increase the number of Ministers in another place or whatever—but the full spirit of new clause 7 should be embraced. The Government tell us a lot about the big society. They are against big government out there, but they are all for big Government in here. New clause 7 really is the test for the Government. In particular, it is the test of whether they will allow their own Back Benchers to vote according to their conscience on how they want this House truly to operate under the banner of the new politics.

Mr Jenkin: I rise briefly to congratulate my hon. Friend the Member for Broxbourne (Mr Walker) on the spirited and coherent way in which he moved his new clause. I should also like to congratulate my hon. Friend the Member for Richmond Park (Zac Goldsmith), who also made a coherent and spirited defence of the new clause.

It is not my intention to speak for very long. In fact, it had not been my intention to speak at all in this debate, partly because I am losing my voice, so this speech might not continue for long. In fact, it might be cut down in its prime. However, I have been watching the Deputy Leader of the House nodding at some interesting moments during this debate, when he seemed to be endorsing the past statements of his party's leader. I am waiting with bated breath to see how he melds the previous position of his party's leader with the present position of the Government.

While he is preparing his remarks, I hope that he will reflect on the fact that the very office of Deputy Leader of the House is, in itself, rather a modern invention. I think that it was invented during the previous Labour Government. I do not know whether it ever existed before—I look to my hon. Friend the Father of the House—because it had never been deemed necessary for there to be a deputy to the Leader—*[Interruption.]* The hon. Member for Rhondda (Chris Bryant) was the embodiment of the invention. The post reflected the desire of the Executive to create more jobs for the boys—if I may put it that way—than existed before.

There is a simple test that we need to apply to this Bill, and to new clause 7 in particular, which is: does it strengthen the House of Commons? It was axiomatic before the election, and in the aftermath of the expenses scandal, as the hon. Gentleman pointed out, that every party leader should speak in grand terms about the need to strengthen the accountability of Government and to strengthen the House of Commons. Can the Bill do that? It cannot, unless we reduce the number of Ministers pro rata to the reduction in the number of MPs. I should point out that my remarks are not some manic attaek on the power of Government. There are plenty of ways in which Governments can appoint people to jobs in order to get things done. Indeed, I should say to the hon. Member for Foyle (Mark Durkan), who spoke just before me, that it is possible to appoint more Members from the other place. It is also possible to appoint more special advisers—and let us face it—we have a rash of special advisers in Government these days compared with what we used to have. There are all kinds of ways both of ensuring that there are ambassadors for the Government in office and people to implement the Government's policy and political direction, and of ensuring that the Government remain accountable to the House.

Ministers do not need to be Members of the House in order to be accountable to it. It is worth reflecting on the fact that as we have grown the number of Ministers in this place, we have left Whips and even Parliamentary Private Secretaries to speak for the Government in the other place, because Governments are so interested in filling ministerial offices with Members of Parliament, to secure their influence in this place. However, if there were more Ministers in the other place, there is no reason why they should not be invited to the Bar of the House to answer questions. That reform is long overdue. There are plenty of alternatives.

I should like to reflect on the term "the new politics" that has crept into political parlance. I am not quite as old and wise as my noble Friend Lord Heseltine, who sat for many years in this place, and who I saw opining, at the very formation of the coalition, that there was no such thing as the new politics; there was only the old politics, and politics would always be the same. That is of course true, but if the new politics is going to mean an increase in the domination of the Executive in the House of Commons, that would seem to be the antithesis of what those who coined the phrase were seeking to convey.

In fact, politics is changing. When I was first elected in 1992 there was still quite a strong element of deference in the House of Commons towards authority and the Whips. Members who were first elected in the 1950s would have served in one or both of the world wars, and virtually every Member of Parliament at that time had done national service of one sort or another. That Edwardian deference has gone from today's politics, however, and Governments will have to accept that the House of Commons is becoming more assertive. An example can be seen in the whole expenses debacle. I refuse to call it a scandal, because what the newspapers uncovered was much less a scandal in respect of individuals and much more a scandal in terms of the system that had developed, in which the press itself had connived. The outcome of the expenses debacle sent a message to everyone that it was time for Parliament to reassert its role, and it seemed that the party leaders took that message up. What really came through in that episode was how useless Parliament had become.

What is Parliament's job? It is to ensure that the laws of this country are fit for purpose, to stand up for the liberty of the citizen and to control the supply of

[Mr Jenkin]

money to the Government. Looking at those three tests, we can see that the House has performed miserably over the past decade. More and more legislation, particularly secondary legislation, is passed that is unfit for purpose and not scrutinised properly. The House has completely failed to control the massive growth in public expenditure that has led to the deficit crisis that we now face, and as for protecting the liberties of the individual, I am afraid I think that most of our constituents would feel that the House has been found wanting.

If we are to improve the way in which we do our job, will we be helped if we allow the Government, of whichever party, to have patronage over and to give hope to a wider and wider group of Members, and to instil into the principle of politics in this House that the be-all and end-all is ministerial office? Would that be conducive to a more accountable system? We do not have the separation of powers in our system, but we nevertheless rely on a degree of separation between the Executive and the legislature. I submit that the new clause is exactly the signal about our determination to hold the Executive to account that the House needs to send not only to the Government of the day but to the people at large. We must send this signal that we take our jobs seriously and that we are not going to be seduced, cajoled or flattered into accepting the Executive agenda more and more.

I end with this point. My hon. Friend the Member for Broxbourne, who moved his new clause so ably, is a member of the Public Administration Committee, which produced the report "Too Many Ministers?" in the last Parliament. I am afraid that I have to inform the Government that we have already launched a new inquiry, asking "What do Ministers do?". That might seem a cheeky question, but at this time when there are so many Ministers, we know from the revelations in various biographies that Parliamentary Under-Secretaries have jobs and activities created for them to keep them busy.

When it comes to the Foreign Office, I have no doubt that the hon. Member for Rhondda is right to say that we need ambassadors for Britain, representing both Parliament and Government, but I simply do not believe that to be true of all Departments. Do we need more Ministers to represent the Government in this House? It was suggested to our Committee that Whips speak for the Government in the other place, so why cannot Whips speak on behalf of the Government in this place? Why do they have to remain mute and silent here, as if they had no views of their own and no speaking purpose in a House of whose being speaking is the very essence?

Mr Christopher Chope (Christchurch) (Con): Is my hon. Friend aware of the irony that his Committee is carrying out this inquiry, but the Government are using that fact as a reason why our hon. Friends should not vote against the Government position tonight—because it is all going to be sorted out in the future by my hon. Friend and his Committee? Can he put my hon. Friends right, and tell them that they need to be in the Aye Lobby for this new clause?

Mr Jenkin: I can put them right. As Chairman of that Committee, although I do not act as Chairman in this capacity, I will be in the Aye Lobby myself on new clause 7. As my hon. Friend the Member for Broxbourne said, it represents a very modest maintenance of the status quo. That is what this is about—checking an advance or a further incursion of the Executive into the House of Commons. It is a holding position, while my Committee completes its work.

Mr Heath: I think this has been an interesting and illuminating debate. I am grateful to the hon. Member for Broxbourne (Mr Walker) for tabling his new clause and for the way in which he spoke to it. I am also particularly grateful to the hon. Member for Harwich and North Essex (Mr Jenkin), the Chairman of the Public Administration Select Committee, not only for contributing to this evening's debate but for his Committee's work—and that of its predecessor, which, as he rightly said, published the first report.

We have heard from a number of Members of all parties, including from the Father of the House. The hon. Member for Louth and Horncastle (Sir Peter Tapsell) often gets criticised—or, perhaps, slightly cheesed—for his lapidary style, but I know from my experience over many years that he is well worth listening to on many issues. Although I do not agree with everything he says—I do not think he would expect me to—I always find listening to him a useful exercise.

The hon. Member for Na h-Eileanan an Iar (Mr MacNeil), who is not in his place at the moment, intervened earlier and sought to persuade the Committee that the Republic of Ireland is the epitome of prosperity, which I am not sure is an argument that holds great water. The hon. Member for Slough (Fiona Mactaggart), who is also not in her place, was moved to tell us why during the last Parliament she asked to be a Minister no longer.

The hon. Member for Rhondda (Chris Bryant) said repeatedly that the Government of whom he was a part were too slow to take on these issues. Too right they were! They never took on these issues one single bit; there was never the slightest attempt to reduce the size of government or to relax the grip of the Executive on Parliament. It is only since the present Government have been elected that we have been able to deal with some of these issues. He also said, in passing, that he was suspicious that Parliamentary Private Secretaries were not acquainted with the ministerial code. He is quite wrong on that; of course they are—they are given the ministerial code to sign on taking up their positions. That is as it should be. The hon. Gentleman will have to look at the websites himself.

Chris Bryant: The information is not available.

Mr Heath: It is available, and the hon. Gentleman will be able to find it if he cares to look at the Government websites.

9.30 pm

Chris Bryant: I am sorry, but no list of Parliamentary Private Secretaries is currently available on a website or anywhere else. Unless the hon. Gentleman can provide the address of a website that features the information, it is not available.

Mr Heath: If the hon. Gentleman looks at the departmental websites, he will find that the PPSs are clearly listed. It is hardly a deep, dark secret.

Mr Lee Scott (Ilford North) (Con): If my hon. Friend looks at not just individual websites for Members of Parliament but the parliamentary website, he will see that it includes the information that a Member of Parliament is a PPS. That information was added to my name within about four weeks of my appointment.

Mr Heath: I am grateful to the hon. Gentleman for putting the Committee straight on that.

The hon. Member for Richmond Park (Zac Goldsmith) supported the new clause. The hon. Member for Foyle (Mark Durkan) made the important point that the oversupply of Ministers was not best addressed by their being put in the House of Lords. I entirely agree. The hon. Member for Harwich and North Essex expressed a contrary view, saying that he rather liked having Ministers in the House of Lords, but I am not sure that I agree with him.

Mr Charles Walker: I do not like the idea of lots of Ministers being in the House of Lords, but the fact is that there are currently eight unpaid Ministers there. If the hon. Gentleman does not want them to be there, why on earth are the Government putting them there?

Mr Heath: I will let the hon. Gentleman into a secret: I am not the Prime Minister. It is the Prime Minister who makes appointments. I am simply saying that I do not think we would improve the present position by putting more Ministers in the House of Lords. In the last Parliament, members of the Cabinet—Secretaries of State in charge of Departments—were in the House of Lords, and we had no way of holding them to account. That was an affront to this elected House, and I am pleased that we have put it right.

Let me explain why I cannot support the new clause, although I have a degree of sympathy with the view of the hon. Member for Broxbourne (Mr Walker).

Mr Jenkin *rose—*

Mr Heath: First, however, I will give way to the hon. Member for Harwich and North Essex.

Mr Jenkin: Is the hon. Gentleman seriously saying that there is something unconstitutional about having a Secretary of State in the other place?

Mr Heath: I said that it was undesirable, and I believe that it is undesirable. I said that in the last Parliament. I called for Secretaries of State in another place to be brought before this House for questioning, because I think it is wrong for Members of the House of Commons not to have access to those who lead Departments. That remains my position, and I am not going to change it.

Philip Davies: I do not quite follow the hon. Gentleman's argument. Is he saying that the new clause means that any Secretary of State could not be in the House of Commons, and would have to be in the House of Lords? I see nothing in the new clause that would force a Secretary of State to be in the House of Lords.

Mr Heath: I am not suggesting that that would be the case. I am picking up on points made during the debate, which I think is part of the job of a Minister responding to a debate. The hon. Member for Foyle expressed the hope that a reduction in the number of Ministers in the House of Commons would not result in an increase in the number of Ministers in the House of Lords. I suggested that I agreed with his view. The hon. Member for Harwich and North Essex does not agree with it. So be it. That is the nature of debate.

Mr Mark Field: The Deputy Leader of the House has made it clear that he wishes to respond to the contributions made in the debate. I think that one of the most important contributions, with which I entirely concur, came from the hon. Member for Slough (Fiona Mactaggart). She considered it highly regrettable that a Bill of such constitutional importance was being rushed through so quickly and so early in the Parliament, in a way that gave the public—certainly those who are interested in these matters—the impression that it was being introduced simply to keep in place the current arrangements introduced by the current coalition. She suggested that it was solely a result of the electoral arithmetic that obtained in May 2010, rather than having been introduced in the long-term interests of Parliament for decades and, indeed, centuries ahead.

Mr Heath: That is a Second Reading point, but it is not a point that I agree with or accept in any way. We have already had extensive debate on the timing of the Bill; I believe we have given that subject a substantial amount of debating time. The most important point is that it is necessary to make rapid progress on the Bill if we are to have in good order both the referendum and the boundary changes suggested in the Bill.

Chris Bryant: Will the hon. Gentleman give way?

Mr Heath: If the intervention is on that point I have to say that it is not germane to the new clause, but if it is on a different point then of course I give way.

Chris Bryant: Whether or not it is germane is obviously for the Chair, not the hon. Gentleman, to decide, but I am grateful that he has given way.

I am sure the hon. Gentleman would not want to mislead the House. He has suggested that Parliamentary Private Secretaries are listed on each of the websites—*[Interruption.]* Government Members, and in particular Ministers, groan, but that is perhaps because they want to see the extension of patronage rather than the extent of patronage to be known to the whole of the House. The truth of the matter is that I have looked at the websites of four Departments and there is absolutely no evidence in any of them of who the departmental PPSs are.

Mr Heath: Well, perhaps the hon. Gentleman needs to look a little more carefully.

May I now move on to the principal arguments that I want to address? I have already said that I have a degree of sympathy with what the hon. Member for Broxbourne said about the reductions.

Chris Leslie (Nottingham East) (Lab/Co-op): Will the hon. Gentleman give way?

Mr Heath: No, not for the moment because I have just said that I want to set out some of the reasons I have difficulties with the new clause.

[Mr Heath]

One point worried me slightly, and I have to say that the hon. Member for Broxbourne and I may have an honest disagreement about it. He appeared to be advocating a complete separation of powers.

Mr Chope: That is not in the new clause.

Mr Heath: But it was suggested in the speech moving the new clause. The hon. Member for Broxbourne seemed to give the clear impression that he personally would favour a separation of powers, meaning that there would not be this country's current parliamentary democratic system where we have Ministers drawn from this elected House. Rather, he would prefer Ministers to be drawn from the ranks of those outside the House, which is much more akin to a presidential democracy. *[Interruption.]* I may be misrepresenting the hon. Gentleman, and if so I apologise. However, if that is his view—and it is a perfectly respectable view—it is not one that I share. *[Interruption.]* I see other Members nodding because it is their view, and I understand that to be the case.

My second point is that this is not simply an issue about Ministers. It is an issue about patronage and the extent of the patronage of the Prime Minister and Government of the day. That is what we need to address, rather than the narrower issue of Ministers in this House.

My next point is that there is not a simple arithmetical relationship between the number of Members of the House and the number of Ministers: to suggest that there is is to reduce the argument and to take it beyond what is reasonable. Ministerial responsibilities must reflect what the Prime Minister and Government of the day feel they need in order to do their work effectively. There is a relationship between the number of Ministers in this House and the number of others in the House whose positions are created by patronage and both the perception and the reality of the independence of this legislature. That is a perfectly proper comment to make, but there is not, I suggest, a simple arithmetical relationship.

Mr Kevan Jones (North Durham) (Lab): Is the hon. Gentleman suggesting, therefore, that the Prime Minister of a future Labour or Conservative Government, or indeed the Prime Minister of what we have at the moment, could extend the power of patronage to have as many Ministers as they wish in order to control the political process?

Mr Heath: As I shall go on to describe, what the previous Government did when they reached the buffers of the current restrictions was simply to create all sorts of fantastical posts that were not described as "Ministers" but were, nevertheless, an extension of patronage. We know what the Labour party did when in government and I think we can do better.

Philip Davies: The Minister seems to be saying that these things should be judged on the ministerial work load, as opposed to numbers. I do not know whether this is the case for him and his constituency, but the work load of MPs has increased rapidly in recent years. The Government are proposing to reduce the number of MPs by 50, so this Bill clearly has nothing to do with work load, yet he is giving the distinct impression that this is a simple case of turkeys not wanting to vote for Christmas.

Mr Heath: Without rehearsing arguments from other parts of the Bill—we must not do that—I can say that the interesting thing is that the proposal to reduce the number of Members and equalise constituencies seeks to make some Members who represent very many fewer constituents than others have the same work load as those of us who represent larger constituencies; we comprise about a third of the House.

Mr Charles Walker: The Deputy Leader of the House questioned whether it is wise to put an arithmetical limit on the number of Ministers, but an arithmetical limit of 95 is already in place. Is he suggesting that we remove that and just have a free-for-all in this place?

Mr Heath: No, I am not. I am suggesting that a slightly more complicated relationship is involved than perhaps the simple solution suggests; I have already mentioned one of the factors, which is that this solution does not take into account the position of the House of Lords and the reform of that House in which we are engaged.

Several hon. Members *rose—*

Mr Heath: I am not making terribly much progress, but I shall give way to the hon. Member for Foyle.

Mark Durkan: May I take up the point that the hon. Member for Broxbourne (Mr Walker) raised about the Deputy Leader of the House's comment that the House should not become concerned with setting an arithmetical limit and seeking an arithmetical formula? The Bill says that there should be 600 MPs and 600 only—not one more and not one less. No flexibility is to be left to the boundary commissions, to Parliament or to anyone else, and constituencies are to be formulated every five years, again on the basis of a tyranny of arithmetic, so how can the Deputy Leader of the House tell us that within this regime of the new arithmetic and the new politics there cannot be arithmetical guarantees on the fixed number of Ministers in this House?

Mr Heath: Again, the hon. Gentleman seeks to draw me back to debates that we have had on other parts of the Bill. However, I repeat that I do not think that there is a simple arithmetical relationship between the number of Ministers in the Government and the number of Members in this House, other than the view, which is my view and that of right hon. and hon. Friends, that we need to reduce the scope of Government patronage. That is something in which we are already engaged.

Daniel Kawczynski: My hon. Friend made a very important point a few moments ago about the staggering number of special advisers that the previous Labour Administration had. I believe that they even had one for timber products and for rain forests, as well as having special envoys for Cyprus and for Sri Lanka. It is slightly hypocritical of the Labour party to accuse us of patronage of this kind when there was so much in their Government.

Mr Heath: Well, the hon. Gentleman must not tempt me into spelling out in graphic detail the degree to which what the Labour party is now saying is the opposite of what it did in government, but of course it is the case.

Mr Chope: Before the Deputy Leader of the House gets carried away by what my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski), who is a PPS, said, will he correct the impression that he has given—that the previous Labour Government had the maximum number of Ministers, which is 95? In fact, they had only 90 at the most. It is only this Government who have gone up to the maximum number of Ministers. Will he explain why that is so?

9.45 pm

Mr Heath: The hon. Gentleman will have to put that question to the Prime Minister.

Mr Jenkin: The hon. Gentleman's honesty is touching. Will he explain very simply why 95 is the correct number?

Mr Heath: I think it very well might not be; it is likely that at some stage in the future we will reduce the number of Ministers. The hon. Gentleman is refusing to accept that I agree with a great deal of the thesis that has been put forward.

Mr Kevan Jones: Will the Deputy Leader of the House give way?

Mr Heath: No.

Let me go on to the next point, which is the timing of what is being suggested. This is not the hoary old chestnut that used to be described by the former Member for Cambridge, Mr David Howarth, as the doctrine of unripe time—everything was always for the best possible purposes, but the time was never ripe for it to happen. I am not saying that. I am simply saying that various elements of our proposals for reform of the constitutional arrangements and for the politics of this country are moving forward in various pieces of legislation and at various times. By the end of this Parliament, they will be in place, but this is not the right time for this measure.

Let me try to make some progress. The Government are committed—as the fairer Members who have contributed to the debate have already recognised—to passing power from the Executive to Parliament. The hon. Gentleman, who is a member of the Backbench Business Committee created by this Government, will, I hope, recognise that that is the case—

Mr Charles Walker: To which hon. Gentleman was he referring?

Mr Heath: To the hon. Gentleman.

Mr Walker: No, I am not a member of the—

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. We cannot have two people on their feet at the same time. The Deputy Leader of the House should give way to Mr Walker.

Mr Walker: I should like to point out to the Deputy Leader of the House that I am not a member of the Backbench Business Committee.

Mr Heath: I apologise; I thought that the hon. Gentleman was. I apologise to him and to the House. I hope that it will not prove to be a resigning matter that I mistook him for a member of the Backbench Business Committee. Knowing him to be a fair-minded man I know that he will attest to the fact that this House has already moved the control of much more parliamentary time to Back-Bench Members through the Committee. We have also seen the election of Select Committee Members and Chairs, to which we have already drawn attention in this debate.

My right hon. Friend the Prime Minister has also become the first Prime Minister in history to give up the power to call a general election at the time of his choosing. I think it is clear that the Government are not looking to extend their own influence, but believe on principle that power should be dispersed. Indeed, we will bring forward legislation very soon to disperse more power to local communities and local authorities, enabling them to do their job more effectively.

I have difficulty in accepting that there is a need to put this new clause into this Bill at this time. It is now October of 2010—[Hon. Members: "Well done!"] It is good to know that Opposition Members are engaged in serious constitutional debate. There are four and a half years until the provisions of this Bill will take effect—[Hon. Members: "No."] There are four and a half years until the provisions of the Bill on the boundary reviews and the reduction in the size of this House take effect. It does not result in an immediate change to the size of this House. We are legislating at speed to allow sufficient time for boundary reviews to be conducted nationally on the basis of a smaller House, but when we have time to reflect, we should use that time.

Mr Graham Brady (Altrincham and Sale West) (Con): Surely new clause 7 would also come into effect in four and a half years, at exactly the same time as the other aspects that the Minister has mentioned.

Mr Heath: Yes, it would, but my point is that new clause 7 does not perfectly encapsulate the purpose that the hon. Gentleman, the Government and I might share of making government fit for purpose in that new Parliament. Given that we do not have to pass this new clause as part of the Bill, it seems sensible to take our time, listen to representations and people's views, and see whether we can come up with something better.

We have heard very clearly that the issue at stake is the size of the Government's payroll vote. The proposition we have heard is that the Bill will give the Executive undue numerical dominance in the House and that we must therefore legislate now to reduce the number of Ministers here. It is a numerical fact that if the Bill becomes law, and unless we legislate to the contrary at some stage, the Government elected in 2015 will be entitled to make Ministers out of a higher proportion of the Members of the House. They will not be compelled to do so, but they will be entitled to, and recent Governments have tended to appoint as many Ministers as they can, or very close to that number. My right hon. Friend the Deputy Prime Minister and I have acknowledged before that this issue deserves consideration, and it would not take a great detective to find the number of occasions on which I have said precisely that. On the face of it, it is not desirable that the payroll vote should be expanded as a proportion of the House's membership. We have said that we will consider how to address this issue and we will do so.

[Mr Heath]

We are told that Governments legislate too much, and the new clause concerns an issue that might be better resolved without legislation. Governments are capable of reducing the number of Ministers without being compelled to do so through legislation. More importantly, perhaps, the payroll vote is often taken to include Parliamentary Private Secretaries, who are not covered by current legislation and who would not be covered by the new clause. It is only by self-denying ordinance that those numbers are limited. Governments have clearly been capable of self-restraint, and that self-restraint would still be necessary if the new clause were accepted. As I have said, under the previous Government we had not only Ministers and PPSs, but tsars, envoys, special representatives, Regional Ministers and assistants to Regional Ministers. A lot of them have been removed but they were all elements of patronage within the House. If it is patronage we are seeking to address, then we have to address all those appointments, not just the ministerial ranks.

Let me repeat a point that was made earlier. Legislation would not cover the number of Opposition Front Benchers, which is also relevant if the concern is that there are too few independent voices from the Back Benches. I accept the principle of legislation on ministerial numbers as a back-stop, but surely the number of Ministers must be a function of need, which is not necessarily related to the number of MPs. When previous statutes increased the number of Ministers in the House, they were unrelated to any changes in the number of MPs: there has never been a clear link or a set ratio. At the moment, there can be one Minister for every 6.842 Members of Parliament or thereabouts. The new clause would enshrine that ratio in law in perpetuity. If it were to become law, the Government could appoint as Ministers no more than 87.692307 Members of the Chamber. That would be the relationship. I merely make the point that I do not believe that a simple arithmetic relationship is necessarily the right one to address.

We should not forget the purpose of having a ministerial presence in the House: we need sufficient Ministers to attend to the business in the House, to make statements, to answer questions, to introduce Bills and to contribute to debates. The House rightly expects the highest standards of accountability from its Ministers and we strive to meet those standards. Indeed, it is often complained that Ministers are too rarely seen when the House discusses issues for which they do not have direct responsibility. That reflects the reality that we demand a lot of our Ministers in this country, both to govern and to legislate.

The question of how many Ministers should sit in the House of Commons is bound up with other questions—for example, considering the number of Ministers in the House of Lords. As the Committee is aware, my right hon. Friend the Deputy Prime Minister is chairing a Committee on reform of the House of Lords. The Committee comprises Members from all three major political parties, as well as from both Houses—*[Interruption.]* From a sedentary position, the hon. Member for Rhondda asks, "What's that got to do with it?" as though reform of the House of Lords—the thing for which we have been arguing for 100 years—has nothing to do with the constitutional arrangements of this country.

The cross-party Committee is discussing all issues pertinent to reform, including size and composition, and whether the second Chamber is wholly or mainly elected. It will also discuss the position of Ministers in the reformed Second Chamber. Currently, there are far fewer Ministers in the House of Lords than in the Commons, but we will need to think carefully about how the distribution of Ministers may be affected by any changes to the size of the second Chamber, or by the introduction of elected Members.

The Committee is charged with producing a draft Bill early next year, which will then be subject to pre-legislative scrutiny. The Government hope that will be carried out by a Joint Committee of both Houses. It is possible that arguments may then be made for either a greater or smaller ministerial presence in the second Chamber. We should wait to hear the views of the Committee.

There is also an argument that the limit on Ministers in the House of Commons Disqualification Act 1975 is arcane in other respects. For example, it makes no provision for Ministers who might fill the role on a part-time basis or a job share. It is expressed in terms of numbers of individuals rather than full-time equivalents. That should perhaps be part of any consideration.

For all those reasons, although I welcome the debate, the Government are not minded to accept the new clause. We shall reflect on the arguments made today and set out plans once we have achieved some consensus on the composition of the second Chamber, including the number of Ministers there. If it still appears—*[Interruption.]* I think it is important for the House to hear this. If it still appears necessary, there will be plenty of time at that stage to legislate before 2015. I urge the hon. Member for Broxbourne to withdraw the new clause, on the basis that we shall very carefully consider the arguments he has made.

Mr Walker: I say to new colleagues who were not here in 2009 that it was the most awful experience. We were led up the garden path by a powerful Executive and had our legs cut from underneath us. We vowed that we would never, ever let that happen again. We vowed that we would take control of this place back from the Executive.

I wish I was being braver in my new clause. All I am asking is that when the House of Commons reduces by a mere 50, we reduce the number of Ministers by a mere eight, yet in this age of new politics those on the Front Bench cannot even give us that. Colleagues, this is the night when the new politics will be born, or it will die. Please support new clause 7 tonight, to give new politics some meaning, because it will be driven by Back Benchers—it can never be driven from the Front Bench.

I call for a vote.

Question put, That the clause be read a Second time:—

The Committee divided: Ayes 241, Noes 293.

Division No. 100] **[9.58 pm**

AYES

Abbott, Ms Diane	Bailey, Mr Adrian
Ainsworth, rh Mr Bob	Bain, Mr William
Alexander, rh Mr Douglas	Baker, Steve
Alexander, Heidi	Banks, Gordon
Ali, Rushanara	Barron, rh Mr Kevin
Austin, Ian	Beckett, rh Margaret

Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brady, Mr Graham
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Carswell, Mr Douglas
Caton, Martin
Chapman, Mrs Jenny
Chope, Mr Christopher
Clark, Katy
Clwyd, rh Ann
Connarty, Michael
Cooper, Rosie
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Philip
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellis, Michael
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Field, Mr Mark
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Gray, Mr James
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hosie, Stewart
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana R.
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Main, Mrs Anne
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCartney, Jason
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Percy, Andrew
Perkins, Toby
Phillipson, Bridget
Raynsford, rh Mr Nick
Reckless, Mark
Reed, Mr Jamie
Reynolds, Emma
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sanders, Mr Adrian
Sarwar, Anas
Shannon, Jim
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Tapsell, Sir Peter
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Tyrie, Mr Andrew
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Vickers, Martin
Walker, Mr Charles
Walley, Joan
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whittaker, Craig
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr David Anderson and Graham Jones

NOES

Adams, Nigel
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Bebb, Guto
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clappison, Mr James

Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellison, Jane
Ellwood, Mr Tobias
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Randall, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Norman Lamb

Question accordingly negatived.

New schedules 2 to 5 brought up, read the First and Second time, and added to the Bill.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill to be considered tomorrow.

Newport Passport Office

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Newmark.)*

10.15 pm

Jessica Morden (Newport East) (Lab): I am very grateful to have this opportunity to raise the issue of the Home Office's proposed closure of Newport passport office. The campaign against the closure, led by the Public and Commercial Services Union and very well supported by the *South Wales Argus* on behalf of the workers, has united the whole community in Newport and is supported by MPs and AMs of all political parties, some of whom are here tonight. I am very grateful to those hon. Members who have stayed for tonight's debate, which has started a little earlier than we expected, but their presence shows the strength of feeling. Most notably, the campaign is supported by my hon. Friend the Member for Newport West (Paul Flynn), in whose constituency the passport office resides.

Since the announcement that the passport office in Newport is in line to become the first major casualty of UK Government spending cuts, the city of Newport has united around the growing campaign against its closure. Three hundred workers attended the first meeting called by local union reps; more than 1,000 people attended a march and rally through Newport last week; and, in just two short weeks, more than 11,000 people have signed the *South Wales Argus* petition. If the Minister wants an indication of the strength of feeling in Newport, I am happy to present him with a subscription to the *Argus*, as I want him to be in absolutely no doubt about the fury in Newport over the decision.

The Identity and Passport Service announcement that the office could close has been badly handled, as well as being a disaster for staff and their families. Staff learned of the potential loss of their jobs from a civil servant who was sent as the bearer of bad news—not a Government politician in sight. The Secretary of State for Wales gave every impression at the time that she was not aware of the decision, although in a reply to a parliamentary question of mine she now claims that she was. That is all the more galling locally, as in her speech to the Tory party conference just a few short days before, she spoke of how the Ryder cup had put Newport on the map. We were hoping for an economic legacy from the Ryder cup, not an announcement a few days after the event that hundreds of people would lose their jobs.

Albert Owen (Ynys Môn) (Lab): The Prime Minister has made big play of the respect agenda. Does my hon. Friend not agree that by not telling anybody, not least Welsh Assembly Ministers, such behaviour proves that that agenda has been dropped in favour of disrespect?

Jessica Morden: I agree. We now see a culture of disrespect towards the Welsh Assembly Government, and I shall come on to that point.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): I congratulate the hon. Lady on securing time for this very important debate. She has my party's full support. The announcement is not only unjust and disrespectful, but unfair, because it came before last week's cuts, which are deeper and worse for Wales than for the rest of the UK.

Jessica Morden: The hon. Gentleman makes an extremely valid point, and I am extremely grateful for his support.

Chris Ruane (Vale of Clwyd) (Lab): This cut is just one of a number that will affect Wales, including the cancellation of the Defence Aviation Repair Agency, the cancellation of the electrification of the south Wales railway line and the cancellation of a prison for north Wales. Now, we have the cuts in the constituency of my hon. Friend the Member for Newport West (Paul Flynn). Does that show a disrespect for Wales?

Jessica Morden: I thank my hon. Friend for that intervention. Over the past couple of weeks, we have seen a disgraceful list of cancellations in Wales, and that does show a complete disrespect for Wales.

I hope that the Minister will agree that the most important people in all this are the staff at Newport passport office and their families. Two years ago, when there was a rumour about the future of the passport office, my hon. Friend the Member for Newport West and I initiated a meeting with the then passport Minister, my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier). She was adamant in all her dealings with us that there should be a regional application passport office in each devolved nation. She also recognised that the staff at the Newport office did a fantastic job. In fact, she constantly praised them for what she called their can-do attitude, and for the fact that they were the regional office that always volunteered to do any pilot going. What message is sent to civil servants who strive for excellence in their jobs when they are rewarded with a decision like this proposed closure?

The previous Minister knew how good the Newport passport office is, but so do its customers, as it receives much favourable feedback from them for its fast and efficient service. I genuinely know how good that service is from personal experience when I had to get three passports at short notice last year. The staff tell me that in the past week they have dealt with customers from as far afield as Truro in the south-west, Harlow in the south-east, Scotland and Belfast, all of whom tried to get to a more local office but failed to get an appointment without waiting for two to three weeks.

Kerry McCarthy (Bristol East) (Lab): My hon. Friend makes the very valid point that it is not only the people of Wales who are serviced by the Newport office. People from Bristol and much further afield in the south-west also rely on it, and they would have to make very long journeys to make passport applications if it were not there.

Jessica Morden: I thank my hon. Friend for her intervention; she makes a valid point. People from the south-west come to Newport for its passport service, and it is much used. For example, travellers who have a problem with their passport when they arrive at Heathrow airport might be directed by staff to Newport because it is faster and more efficient than using the London office.

Given the work that staff have to put in to get the service right, why choose to close the Newport office? My constituents are not arguing that another office in another part of the country should be closed, but they want to know from the Minister why there are not calls

[Jessica Morden]

for voluntary redundancies across the service to make this decision much fairer. I would be grateful if he could explain how his Department came to the decision to target the Newport office. Can he share with the House what case has been made internally, and make that information publicly available? If the closure were to go ahead, how much would it cost in short-term redundancy costs? Will he share with us the results of the economic impact study when it is available?

The feeling in Newport is that this decision has been taken at the stroke of a pen—that it is easier for the Department to close just one of the seven offices instead of looking at other options. Staff tell me that the IPS has a history of making short-term decisions which then have to be reversed. In Glasgow, the postal production service was removed, only for the IPS to have to reinstate it because demand was too great and it had reduced staffing to inadequate levels. Given the real hardship that this decision will cause, will the Minister re-examine this case for closing Newport, bearing in mind that history of the IPS running down capacity and then having to reverse decisions?

I am told that when staff were informed by the chief executive why they were about to lose their livelihoods, some of the reasons cited were that the windows were single-glazed and that the floor was of the wrong type. If part of this decision is to do with the office being old and unsuitable, what discussions has the Minister had with the local authority about doing a deal over more suitable premises and thereby cutting costs in that manner?

Chris Ruane: Does my hon. Friend think, like I do, that the real reason the Newport passport office is being closed is not that it has the wrong type of windows but that Newport has the wrong type of political party—that is, it is represented by Labour MPs, not Conservative MPs?

Jessica Morden: I appreciate my hon. Friend's point and thank him for making it.

Putting people out of work is not something that should ever be done without absolutely every alternative having been examined. In this case, the evidence for that has not been supplied to me, to my hon. Friend the Member for Newport West or to the unions, and that is not acceptable.

Nia Griffith (Llanelli) (Lab): Does my hon. Friend agree that in addition to the loss of service to the people of Wales, it makes absolutely no economic or environmental sense to be centralising offices rather than keeping them in a large number of geographical locations?

Jessica Morden: I strongly agree with my hon. Friend about the need to spread jobs across the country, which was certainly the policy of the previous Government.

If the office were to close, as well as the effect on people's lives and families, it would have a devastating effect on Newport, where traders are already reeling from the loss of shops, with major high street retailers Marks and Spencer, Next and Monsoon leaving the city centre. The passport office employs more than 250 people right in the heart of the shopping centre. Their custom supports other local businesses, and people who travel to Newport to get their passports often spend the four-hour wait shopping. The loss of this office would leave a gaping hole in the centre of the city. Why does the Minister believe that the private sector is going to step in and provide enough jobs to cover the job losses given that some of the private sector is leaving the city centre as well?

It is a bit ironic that the heads of both Marks and Spencer and Next signed the letter to the Chancellor last week urging cuts and suggesting they were up to the job of filling the gap. It does not bode well for the future that they do not practice what they preach, given that they are leaving our city centre. In fact, that is a case in point of the division between the private sector and the public sector being false. Private businesses have much to lose if the jobs in question are lost in the city centre, and that is precisely why people in shops and businesses are joining the marches and signing the *South Wales Argus* petition. They want to keep the city centre alive.

Paul Flynn (Newport West) (Lab): Although it is disappointing that very few Conservative MPs are supporting us in our campaign, it is encouraging that Conservatives and Liberal Democrats on Newport council and in the Welsh Assembly are united in opposing this foolish move. Is it not encouraging that there are moves by Newport council to suggest alternative premises? The state of the premises seems to have been a factor in the decision, but now there is new information that there might well be alternative premises available that will destroy the case for the minute savings that the move would make.

Jessica Morden: I thank my hon. Friend. The cross-party support is very encouraging, and we very much welcome the Tory-Liberal Democrat council's moves to consider alternative premises, which might be the answer.

May I ask the Minister to comment on why the Welsh Assembly Government were not even told that they were going to lose the passport office? As my hon. Friend the Member for Ynys Môn (Albert Owen) asked, how does it bode for the Government's culture of respect for the devolved nations if the Government in Cardiff bay are not consulted?

Much has been said about Wales being left as the only country in Europe without a passport office. I know the Minister will argue that there will be a small office in Newport employing 45 staff. Given the strength of feeling that exists, the Government have been forced to make that decision, but they cannot expect people in Newport to be hugely grateful for 45 jobs when 200-plus will still go.

Roger Williams (Brecon and Radnorshire) (LD): I congratulate the hon. Lady on making such a passionate and constructive case on behalf of the facility in Newport. Does she agree that the previous Government's policy of taking jobs out of high-value areas and devolving them to areas where services could be delivered at better cost would be a good one to put forward in the consultation period that is about to take place?

Jessica Morden: That is an extremely good point, and of course Newport benefited from jobs in the Office for National Statistics, the Patent Office and the Prison Service.

I say respectfully to the Minister that the small office that is planned for Newport is not enough, and nobody in Newport is taken in by it. My hon. Friend the Member for Hackney South and Shoreditch, the former Minister, was adamant that Wales must have its fair share of jobs and that the passport service must be a truly UK service. Is the Minister 100% certain that 45 staff can service all the emergency passport demand in Wales, the west country and parts of the west midlands, not to mention the cases from further afield that I mentioned earlier?

Mr Mark Williams (Ceredigion) (LD): Will the hon. Lady give way?

Jessica Morden: I am running out of time, but I give way to the hon. Gentleman for a tiny intervention.

Mr Williams: I am grateful to the hon. Lady, who is a real friend on this matter. She has got to the heart of it—it is about fairness, and an implicit part of a fairness agenda must be a meaningful dialogue with the National Assembly. I am afraid that has not happened.

Jessica Morden: It has not, and I thank the hon. Gentleman for making that point.

Let us be clear: what is being offered is the loss of the regional passport application centre and its replacement with an interview office. That would be a downgrading of the service, which leads me to my final point. Staff and the PCS have real concerns that if the proposals were to go through, reduced staffing would make the passport a less secure document. British passports are regarded as the most secure in the world, and the basis of that confidence is the integrity and skills of the staff involved. The loss of staff will mean that the work will have to done by fewer people, and there will be an inevitable impact on customer service and security. Is the Minister really confident that the loss of jobs will not have an impact on security?

Only this weekend, the Secretary of State for Work and Pensions said that people from the valleys should get on a bus to find work. Perhaps the Minister could tell us what town he is expecting the people of Newport to get a bus to if he proceeds with this proposal.

Nick Smith (Blaenau Gwent) (Lab): Does my hon. Friend agree that that remark about people getting a bus to work was outrageous, not least because in Blaenau Gwent, not very far from Newport, there are seven people chasing each job?

Jessica Morden: It was an outrageous remark. Hon. Members are here in numbers tonight precisely because their constituents do get on a bus to Newport, to work at the passport office. I hope that the Minister understands that this is not just a paper exercise; it is about people's lives. The workers at Newport passport office deserve to have the Government consider their plans in depth during the consultation period and change their mind.

10.29 pm

The Minister for Immigration (Damian Green): I understand why the hon. Member for Newport East (Jessica Morden) has chosen the debate, and she is to be congratulated on securing it. Given her reputation, I would expect her to defend her constituents as passionately as she has done tonight.

What I can do most usefully is disentangle the emotion from the facts, because although some of what the hon. Lady said was undoubtedly valuable, some of it was misleading, and some of her colleagues' interventions frankly suggest that they do not understand the Identity and Passport Service proposals for Newport. It is important to hold the debate on a factual basis and, indeed, on the basis of the previous Government's actions towards other passport offices. The IPS has been contracting its network of regional offices for some years.

I met the hon. Lady and the hon. Member for Newport West (Paul Flynn) last week. I was surprised when she said that she did not have any information because, as she and the hon. Gentleman know, I handed her the internal working document that the IPS used as the basis of its action. She asked for those details tonight but, as she knows, she was given them last week.

Paul Flynn: The Minister will recall from that meeting that we expressed some dissatisfaction with the idiot's guide to the decision that we were given, and we questioned many of its conclusions, although we had only a brief time to look at it. We asked whether we could see the full report on which it was based, but no assurance was given that we would have it. Indeed, I suggested that we might need a freedom of information request to get it. Will the full report on which the decision was based be made available and put in the Library?

Damian Green: I shall ensure that the hon. Gentleman gets the available information, because I acknowledge his concern and that of the hon. Lady about the impact of job losses on the staff, their families and the local community. As the hon. Lady knows, I have met the leader of Newport council to hear his views. Of course, a proposal to lose 250 jobs has not been made lightly.

The Identity and Passport Service has long recognised that its greatest asset is its reputation, and IPS employees make a significant contribution to that, as reflected in the high levels of public satisfaction with the delivery of passports and civil registration. The Identity and Passport Service has a reputation for quality of delivery, which is achieved by those who work for the agency across the UK.

The service is paid for through the passport fee, which covers the cost of the domestic passport service and consular services overseas for British citizens. Passports have to be delivered within the fee structure and be available to the public at an economic rate. When efficiencies can be made through better working, they should be—indeed, they must be. That is why in 2008, the hon. Member for Hackney South and Shoreditch (Meg Hillier), to whom the hon. Lady referred, closed the application processing centre in Glasgow with the loss of 124 staff. The Glasgow office currently retains a premium and fast-track service, but the processing centre work was absorbed by other regional centres. I cannot emphasise enough that that is exactly the same proposal that the Government are making for the Newport office. All the rhetoric about respect and the Government's somehow picking on the people of Newport or of Wales is wrong.

Paul Flynn *rose—*

Damian Green: The hon. Gentleman has had his chance, I have not got much time and he has already made many points. I hope that he can contain himself for the moment.

There is absolutely no disrespect to the people of Newport or of Wales. Hon. Members know about the country's economic position and the new Government's terrible inheritance. That is why we are having to make such decisions. It would be entirely inappropriate for the passport fee to subsidise the IPS if it were or would knowingly be over-staffed or operating with excess capacity. However, that is the situation that the IPS faces. In the case of the five remaining passport application processing centres in the UK, at Belfast, Durham, Liverpool, Peterborough and Newport, an operational review was carried out by the IPS in the light of the planned programme of efficiencies to be achieved within the next 18 months. The review identified that meeting those efficiencies by spring 2012 and beyond would result in excess capacity of around 350 staff and some 25% of the IPS estate. Therefore, cuts do have to be made.

Paul Flynn: All in Wales.

Damian Green: That is simply not true. The IPS has already lost around 400 jobs at headquarters through efficiencies and, as the hon. Gentleman knows, it is making cuts across all regional offices. In addition, the IPS has already reduced some excess capacity across the network through voluntary redundancies. The announcement at Newport reflects the need for the passport fee to pay for the delivery of a service and not for surplus posts or excess office accommodation.

Owen Smith (Pontypridd) (Lab): The Minister says that cuts are being made right across the board in the IPS, but surely he sees that one fundamental difference is that Wales will be the only country left in the UK without a passport office. That is a fundamental difference, whatever the cuts made elsewhere.

Damian Green: That would be a fundamental difference if it were true, but it is fundamentally wrong. It is false, and the hon. Gentleman is misleading people if he is saying that Wales will be left without a passport office. There will still be a passport office for people to go to in Newport. The hon. Member for Bristol East (Kerry McCarthy) said that people travel from the south-west of England to go to the Newport passport office, and they will still be able to do so. I have read many recent editions of the *South Wales Argus*, with pictures of people holding placards saying, "Wales mustn't lose its only passport office". I am happy to assure not just the people of Newport, but the people of Wales that Wales is not losing its passport office, and it is simply misleading for hon. Members to keep repeating the falsehood that it is.

I recognise that this is a difficult time for many people, and I appreciate that many members of staff working in passport offices up and down the country have contributed to the success of the passport operation. That is why the IPS carried out an objective assessment of its UK operation, to establish how to respond to the excess capacity. A comparative assessment was made of the five centres to determine how best to achieve a better, more efficient service for all existing and future passport holders. The assessment was based on the criteria of cost, affordability, estates, people, customers, partners, performance and operational feasibility.

The primary consideration lay in the ability of the agency to achieve the right level of efficiencies, while retaining sufficient operational capacity to maintain the current high level of service. The assessment had to consider whether an application processing centre could be closed without the need to recruit additional staff back into the remaining offices. Achieving the savings through efficiencies was a key criterion, but it had to be demonstrated in the assessment that savings would be sustainable and would not simply reappear as a future cost to the IPS during periods of peak demand. As I think the hon. Member for Newport East knows, I have undertaken to carry out a full impact assessment, in line with the requirements of the Department for Business, Innovation and Skills. I note in passing that such an assessment was not published at the time of the Glasgow closure.

I appreciate that the hon. Lady will consider Newport to be a special case that should receive special consideration. I would expect hon. Members in constituencies across the UK to consider jobs in their constituencies similarly to merit special consideration. However, the IPS applied the same economic criteria to all areas, for two reasons: first, to ensure consistency and fairness; and secondly, because the IPS is a UK-wide service and requires an operational structure that ensures the highest standards of delivery and service for all its customers, in all parts of the United Kingdom. The IPS has identified the Newport passport application processing centre as the main potential candidate for closure by using an evidence-based approach. The closure would be achievable at the lowest cost, and would represent the most favourable net present value and enable the IPS to retain sufficient operational capacity after closure without the need to recruit staff to back-fill into other offices. The IPS is looking to achieve the necessary staff reductions while avoiding compulsory redundancy wherever possible. That is why, in the case of Newport, the IPS is working with the Wales Office and other Departments to help to identify opportunities elsewhere.

I repeat, in the hope that hon. Members will accept this salient fact, that the proposed restructuring of the regional application processing centres does not mean that Wales will be the only devolved nation without a regional office. The IPS will retain a customer service centre in Newport to service south Wales and the south-west, employing up to 45 people to provide a counter service and with the ability to deal with applicants in the Welsh language. That will cater for the 47,000 people a year who use the current Newport regional office and also provide capacity for 7,000 interviews. The service proposed for Newport after spring 2012 will be similar to the services currently in place at the IPS offices in Glasgow and London.

The point was made strongly to me by the Secretary of State for Wales, my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan)—as it was by the hon. Member for Newport East—that shops in the centre of Newport have been closing and that there is a threat to the town centre. The footfall of those 47,000 people who visit the passport office is therefore essential to give some hope to the shops that remain in the town centre and to the town centre's continuing

regeneration. I found that argument very persuasive from my right hon. Friend and from the hon. Lady, and that is why I have decided that that office should stay in Newport. It could be moved to somewhere else in Wales; that would fulfil the criteria desired by other Opposition Members that Wales retain a passport office, and I could obviously do that without retaining it in Newport. Given the particularly difficult circumstances that Newport has faced, however, I think that it is right to retain the customer service centre there, and that is what we intend to do.

Obviously, this will be of little comfort to the hon. Lady's constituents and those of the hon. Member for Newport West who might lose their jobs through the closure of the Newport passport application processing centre, but the decision reflects the importance that the IPS attaches to providing a service to passport applicants and holders across the UK. I am afraid that the IPS simply has excess staff capacity in its application processing and interview office networks of around 350 full-time equivalents. It has excess physical capacity of approximately 25% across the whole application processing estate, and excess staff capacity of about 150 full-time equivalent jobs and 39 local offices across the interview office network. That is why what is happening in Newport is not the only reduction that the IPS is having to go through. It is having to make cuts across all its regional offices and across the interview centres as well.

The IPS has begun a formal 90-day consultation period with the trade unions. It began on 19 October, and we will provide the unions with extensive background information on the decision to close the Newport processing centre. We are also looking into whether that information can be made public before the end of the consultation period. To answer another specific question, the IPS will be producing a full impact assessment, which will include an assessment of the economic impact of the loss of approximately 250 jobs. Home Office economists will support the IPS with that analysis.

We will seek to include as part of the assessment the impact of job losses on a local area, but that might not be specific to the economic environment in Newport. The IPS has conducted its closure analysis as an operational task, and to include in the analysis the effect on a specific local area, we would need to conduct a local economic impact assessment on all five application processing centres. Clearly, that is not a function for the IPS.

IPS officials are continually offering meetings to the First Minister and to local council officials in Newport. As I have said, I have already met the local council leader.

Jessica Morden: May I ask the Minister why he did not consult the Welsh Assembly Government before taking this decision?

Damian Green: As I say, we have started a consultation period, but, regrettably, as so often happens, for some reason somebody chose to announce this before all the consultations had properly taken place. The hon. Member for Newport West had asked for a meeting with me and I had agreed to meet him in the intervening period. As he knows, however, the BBC and various other journalists got hold of the date for the start of the consultation process. These things happen, and it is very unfortunate—

10.45 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Tuesday 26 October 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

DEPUTY PRIME MINISTER

The Deputy Prime Minister was asked—

Parliamentary Constituencies

1. **Gareth Johnson** (Dartford) (Con): What recent representations he has received on his proposals to create fewer and more equally sized constituencies. [19215]

5. **Andrew Bridgen** (North West Leicestershire) (Con): What recent representations he has received on his proposals to create fewer and more equally sized constituencies. [19220]

The Deputy Prime Minister (Mr Nick Clegg): A range of views have been expressed to me, in correspondence and discussion, on the Government's proposals to create fewer and more equally sized constituencies. In addition, the Parliamentary Voting System and Constituencies Bill had five days of debate on the Floor of the House for its Committee stage.

Gareth Johnson: Does the Deputy Prime Minister agree that it is vital to have constituencies in which all votes carry equal weight, in order to restore public trust in our democratic process?

The Deputy Prime Minister: I strongly agree with my hon. Friend. It is one of the founding principles of any democracy that votes should be valued in the same way, wherever they are cast. Over the years, all sorts of anomalies have developed, such that different people's votes are simply not worth the same in elections to this place. That surely cannot be right, and it is worth reminding those Opposition Members who object to the rationale that it was one of the founding tenets of the Chartists—one of the predecessor movements to the Labour party—that all votes should be of equal value.

Andrew Bridgen: Does the Deputy Prime Minister agree that, for Members of this place to have an effective relationship with local authorities, it is important that emphasis should be placed on keeping parliamentary constituencies as coterminous as possible after the boundary review?

The Deputy Prime Minister: I certainly agree that, where possible, if not in all cases, the building blocks for the boundary review should follow ward boundaries. It would be foolish to reinvent the wheel in that respect. That is why we are proceeding on the basis that ward boundaries will indeed continue to serve as the building blocks for the boundary reviews.

Chris Leslie (Nottingham East) (Lab/Co-op): In order to force through the gerrymandering of Parliament before the next general election, which the Deputy Prime Minister is trying to do, will he be able to get those 50 friends from among his Tory and Liberal colleagues packed into the House of Lords by next week or the week after? When is he planning to make that announcement?

The Deputy Prime Minister: As the hon. Gentleman knows, we will be publishing a Bill early in the new year, which we are drafting at the moment on a cross-party basis, to reform the other place. In the meantime, in keeping with traditions that were also pursued by his Government, appointments will be made as a proportion of and in line with the results of the general election.

Chris Bryant (Rhondda) (Lab): It is estimated that 200,000 people will be forced out of major metropolitan areas as a result of the Government's niggardly proposals on welfare reform, which will turn London into Paris, with the poor consigned to the outer ring. That is the equivalent of three parliamentary constituencies, according to the Deputy Prime Minister's desiccated calculating machine of a Bill. Would it not be iniquitous if, on top of being socially engineered and sociologically cleansed out of London, the poor were also disfranchised by his Bill? How does he propose to make electoral provision for those displaced people?

The Deputy Prime Minister: We all indulge in a bit of hyperbole, but I have to say to the hon. Gentleman quite seriously that to refer to "cleansing" will be deeply offensive to people who have witnessed ethnic cleansing in other parts of the world. It is an outrageous way of describing—

Chris Bryant: That is what you are doing.

The Deputy Prime Minister: No, I will tell him exactly what we are doing—

Chris Bryant: That is what you are doing.

The Deputy Prime Minister: No. We are saying that it is perfectly reasonable for the Government to say that they will not hand out more in housing benefit than those who go out to work, pay their taxes and play by the rules would pay when looking for housing themselves. We are simply suggesting that there should be a cap for family homes with four bedrooms of £400 a week. That is £21,000 a year. Does the hon. Gentleman really think it is wrong that the state should not subsidise people to the tune of more than £21,000, when people cannot afford to live privately in those areas? I do not think so.

Elected Second Chamber

2. **Henry Smith** (Crawley) (Con): What progress he has made on developing proposals for a wholly or mainly elected second Chamber. [19216]

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): My right hon. Friend the Deputy Prime Minister announced to this House in June that he would chair a cross-party Committee that would set out the Government's proposals which they will bring forward in a draft Bill early next year. We hope that a Joint Committee of both Houses will be able to scrutinise it in due course.

Henry Smith: I am grateful to my hon. Friend for that answer. Does he agree that only those elected to a revised second Chamber should be able to vote on the passage of legislation?

Mr Harper: I very much agree with my hon. Friend. The Government have made it very clear that we think those who make our laws should be elected. Thinking back to the previous question, it is worth saying that of the peers created since this Government came to office, more of them are Labour than represent the coalition parties.

Mr Nigel Dodds (Belfast North) (DUP): Will the Minister explain why he is proceeding with a cross-party, consensual approach to reforming the House of Lords, as is right and proper, yet rushing through other major changes to parliamentary democracy and the way in which we run this country without such usual cross-party consensus and support?

Mr Harper: I certainly do not agree with the right hon. Gentleman that we are rushing things through. We have had five days of debate on the Floor of the House and we have another two days on Report next week. Labour Members—albeit not the right hon. Gentleman—voted against our programme motion, which gave the House more time. I simply do not agree with him on this. We have set out our proposals and we hope that this House and the other place will agree with them in due course.

Duncan Hames (Chippenham) (LD): The country has been waiting 100 years to elect the Lords. Once the Minister's plans become law, how long will it take to achieve the Government's intended proportion of elected Members in the upper Chamber?

Mr Harper: My hon. Friend puts his finger on an issue that the cross-party Committee is taking seriously and on which I am sure the Joint Committee will have a view: the length of, and procedure for, the transitional period. It is not an easy process. I look forward to the debate once we have published our draft Bill.

Sadiq Khan (Tooting) (Lab): We support the Minister's plans to make constitutional and political reform the Government's centrepiece, as long as it is for the right reasons and is effective. Will he confirm that, at the same time as rushing through legislation to remove 50 elected Members from this House—all the evidence suggests that most of them will be Labour MPs—this Government are rushing through plans to appoint 50 more unelected peers to the other place, most of whom will be Conservative and Liberal Democrat? Can the hon. Gentleman understand why most observers think that this is partisan and political manoeuvring?

Mr Harper: I welcome the right hon. Gentleman to his position, as this is the first time that we have crossed swords at the Dispatch Box at Deputy Prime Minister's questions.

On House of Lords reform, as I said in my previous answer, the Government will create some new peers in due course—the Prime Minister has made that clear—in the same way that the previous Government did. Since the election, 29 Labour peers have been created, in the resignation honours list of the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), but only 27 coalition peers. The Government have no plans to pack the upper House; the Government do not have a majority in the other place; we will take our legislation through there by arguing the merits of the case and hoping to persuade a majority.

Dr Julian Lewis (New Forest East) (Con): Given that most people would react with horror at the prospect of doubling the number of elected MPs, why does my hon. Friend think so many on both sides of the House are fanatically in favour of turning the upper House into a carbon copy of this Chamber, which might either rubber-stamp or oppose its findings, while excluding the experts who do such a good job in revising our legislation?

Mr Harper: I know my hon. Friend's views on this subject, but he is simply not right. One issue that the cross-party Committee is thinking about very carefully is exactly how to ensure that the reformed second Chamber is not a carbon copy of this place—that would clearly not be sensible. Although we think that Members should be elected, we will look at a range of ways of ensuring that the House of Lords can do its job properly as a revising Chamber, without duplicating the role of this House, which will remain the primary House of Parliament.

Voting Age

3. **Natascha Engel** (North East Derbyshire) (Lab): If he will bring forward proposals to lower to 16 years the voting age in elections and referendums. [19218]

6. **Mr William Bain** (Glasgow North East) (Lab): What the Government's policy is on extending the electoral franchise to 16 and 17-year-olds. [19221]

The Deputy Prime Minister: The Government have no current plans to lower the voting age to 16, but we will of course keep the issue under review.

Natascha Engel: My question was one of definition. In what way is a vote at 16 in a referendum different from a vote at 16 in a general election? If there is no difference, why did the Liberal Democrats, who support votes at 16, whip and vote against lowering the voting age in the referendum on parliamentary voting reform?

The Deputy Prime Minister: You are right that there are different views in this Government, as there were—

Mr Speaker: Order. May I say to the Deputy Prime Minister that I am not claiming to be right?

The Deputy Prime Minister: The hon. Lady is right that there are differences of view in this Government, as there were in the previous Government, about the merits or not of moving to votes at 16. On the issue of whether such a move should apply only to the referendum and not to other votes, the feeling, not unreasonably, was that the matter needs to be looked at in the round. If we are to take a decision in this House, it should be taken on the principle, across all elections and votes, and not just the referendum.

Mr William Bain (Glasgow North East) (Lab): A recent Demos report established that, in the past decade, 16 and 17-year-olds contributed £500 million in tax to the UK Exchequer, that 4,500 of them serve in the British armed forces, and that they are now capable of being company directors. Given that, what possible reason is there for excluding them from voting in referendums or elections?

The Deputy Prime Minister: I happen to be a supporter of votes at 16 but we are open about the fact that there are differences of view in this Government. That is why the matter is not included in our coalition agreement. The previous Labour Government also had no consensus on the matter, and I assume that that is why the hon. Gentleman's party never brought such a proposal forward when it was in government.

Mr Gary Streeter (South West Devon) (Con): Given that in the past three general elections it is likely that less than a third of 18 to 25-year-olds bothered to turn out to vote, and given that more of that age group vote for contestants in "The X Factor" than for candidates in general elections or likely referendums, will the Government turn their face against the ridiculous proposal to reduce the voting age to 16, until such time as slightly older people have shown a greater commitment to British democracy?

The Deputy Prime Minister: Whether people are entitled to vote should not in principle depend on whether they exercise that right. One can accept the principle that people should be entitled to vote at certain ages, without making that entitlement contingent on their exercising it.

Philip Davies (Shipley) (Con): Does the Deputy Prime Minister agree that there is something slightly irrational about those who, in the previous Parliament, thought that we should increase the age at which people are allowed to smoke from 16 to 18, but who now think that 16-year-olds have the right level of responsibility for the voting age to be reduced from 18 to 16?

The Deputy Prime Minister: I certainly agree—*[Interruption.]*

Mr Speaker: Order. I want to hear the answers from the Deputy Prime Minister.

The Deputy Prime Minister: I was not going to turn to the sensitive issue, at least in my household, of smoking. However, I agree with the hon. Gentleman that on this issue, as on so many others, the Labour party seems wholly inconsistent. It was silent—*[Interruption.]* They were silent on votes at 16 when in government, and now they are arch campaigners for a change that they never delivered when they had the chance to do so. *[Interruption.]*

Mr Speaker: Order. Opposition Back Benchers must calm down. I am very worried about you, Mr Gwynne. You just calm down. You have a fit of the giggles, but you will overcome it, do not worry.

Topical Questions

T1. [19225] **Andrew Stephenson** (Pendle) (Con): If he will make a statement on his ministerial responsibilities.

The Deputy Prime Minister: As Deputy Prime Minister, I support the Prime Minister on the full range of Government policy and initiatives, and within Government I take direct responsibility for this Government's programme of political and constitutional reform.

Andrew Stephenson: Although I welcome the coalition's commitment to introduce individual voter registration, many Members across the House remain concerned about on-demand postal and proxy votes, which we still feel are too open to abuse. Will my right hon. Friend undertake to look at the possibility of reintroducing restrictions to those entitled to register for postal votes?

The Deputy Prime Minister: I certainly agree with my hon. Friend that any incidence of fraud in our elections, particularly postal vote fraud—there seems, at least, unacceptable evidence that that has been happening around the country—needs to be dealt with. How we do that is quite complex, and the kind of controls we put in place are still under consideration. We will consider our options and take measures forward as soon as we can.

Ms Harriet Harman (Camberwell and Peckham) (Lab): As Deputy Prime Minister, the right hon. Gentleman takes and shares ministerial responsibility for the Government's spending decisions. Will he confirm that as a result of those spending decisions as many as 500,000 jobs will go in the private sector, in addition to the 490,000 that will be lost in the public sector?

The Deputy Prime Minister: I will confirm that all the statistics on possible job losses are derived from the independent Office for Budget Responsibility, which has said that at the end of the spending round there may be 490,000 fewer posts in the public sector. That is still 200,000 more than the number of people who were employed in the sector when the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) and Tony Blair took power in 1997. Separately, the Office for Budget Responsibility has predicted that more than 2 million jobs will be created in the private sector.

Ms Harman: Surely the Deputy Prime Minister must recognise that, even before the cuts resulting from his spending decisions bite, it is hard for unemployed people when five of them are chasing every job vacancy. Why, then, are his Government planning to punish unemployed people who have been searching for a job for more than

a year by cutting their housing benefit by 10%? That is a deeply unfair policy. Will the Deputy Prime Minister review it?

The Deputy Prime Minister: What we will seek to do in the coming months and years is increase the incentives to work. That is the centrepiece of our Government policies. That is why we have raised the income tax personal allowance, exempting nearly 900,000 people on low pay from income tax; that is why, over time, we will introduce a universal credit; and that is why we will implement the reform of our welfare system which, although much talked about in previous years, has never been put into practice.

T3. [19227] **Jeremy Lefroy** (Stafford) (Con): As chairman of the all-party parliamentary group on malaria and neglected tropical diseases, I welcome my right hon. Friend's announcement during his recent visit to the United Nations that United Kingdom funds for malaria would increase to £500 million a year by 2014. Given that the Government rightly concentrate on outcomes rather than inputs, what outcomes does my right hon. Friend expect to result from the more than tripling of malaria funds by that date?

The Deputy Prime Minister: Like the hon. Gentleman, I think that it is witness to this country's commitment to the poor in other parts of the world that, even in difficult times when we are having to make difficult savings elsewhere in public spending, we are honouring our commitment to the developing world to allocate 0.7% of national wealth to development aid from 2013.

The specific answer to the hon. Gentleman's question is that the increase in spending to £500 million per year by 2014 will reduce the number of malaria deaths by at least 50% by 2015 in at least 10 high-burden countries.

T2. [19226] **John Cryer** (Leyton and Wanstead) (Lab): Will the Deputy Prime Minister now answer the question asked by my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman)? He is about to cut the housing benefits of some of the poorest households in Britain by 10%. Why will he not reconsider, given that we are experiencing some of the most trying economic circumstances of the past 30 years?

The Deputy Prime Minister: As I said earlier, what we are trying to do in respect of housing, as in respect of all other areas of public spending in the welfare system, is increase the incentives to work. Something has gone seriously wrong with a housing benefit system that has more than doubled in recent years, from £10 billion to £21 billion, and has locked many people into long-term dependency. It has not created incentives to work, or incentives for house builders to build more affordable homes. We plan to increase capital investment in house building, reform housing benefit, and build up to 400,000 affordable homes over the coming decade.

T5. [19229] **Stephen Mosley** (City of Chester) (Con): Given that several major public sector trade unions are threatening public action over some of the announcements in last week's comprehensive spending review, and given continued attempts by unions to block some of the reforms that the coalition Government are trying to introduce, does my right hon. Friend agree that it is time to reduce the trade unions' irresponsible influence on British party politics, and to draw up proposals to reform trade union funding of political parties?

The Deputy Prime Minister: I imagine that the hon. Gentleman's views would be particularly unpopular with the new leader of the Labour party, who secured his position only because of the block and duplicate votes of trade union members.

I hope that, in the coming weeks and months, we will not pitch the country into confrontation between the Government and the trade unions. I believe that—this, incidentally, has applied to local authorities up and down the country under the control of different political parties—there is a means by which we can work co-operatively with trade unions to make the savings that we need to make as a nation, and reduce to the bare minimum the number of job losses that might be incurred in the process.

T4. [19228] **Ian Mearns** (Gateshead) (Lab): The Deputy Prime Minister need not be concerned that I am going to ask him for a meeting at the end of this question, as I am still waiting for a meeting that he agreed to hold with me during an answer at Prime Minister's questions on 21 July—and, frankly, I am not holding my breath.

In my constituency of Gateshead one of the greatest factors in continuing health inequalities and shorter life expectancy among some of the poorest communities is the prevalence of smoking. Does the Deputy Prime Minister at all regret promoting smoking by saying it would be his greatest single luxury if he were stranded on a desert island?

The Deputy Prime Minister: First, let me apologise if the hon. Gentleman had been waiting for a meeting; I am keen to ensure that one is fixed as soon as possible.

I was not in any way seeking to promote smoking. It is a very bad habit, and I would never advocate it to anybody else.

T8. [19232] **Harriett Baldwin** (West Worcestershire) (Con): The coalition programme for government calls for a commission to be established to look into the West Lothian question. Please will the Deputy Prime Minister update the House on the establishment of that commission?

The Deputy Prime Minister: My hon. Friend the Parliamentary Secretary, Cabinet Office, who has responsibility for constitutional affairs, will lead on that and he will announce our intention to set up a commission on the long-standing knotty problem of the West Lothian question by the end of the year.

T6. [19230] **Mrs Linda Riordan** (Halifax) (Lab/Co-op): What support are local authorities such as Calderdale in my constituency being given to ensure that as many people as possible are on the electoral register?

The Deputy Prime Minister: The principal innovation we are seeking to introduce is to allow electoral registration officers to compare their databases of who is and is not on the register with other publicly available databases.

We are piloting that in a number of areas, and we hope it will enable officers to see who is not on the electoral register but is on other databases so that they can then, possibly literally, go and knock on their door and say, "You're on one database but not the other; have you thought of getting on to the electoral register?" I know there has been a lot of polemic around this issue, but I hope we will be able to work on a cross-party basis. Many Members will know from their own areas of the best innovations in getting people on to the register. I am actively looking at ways in which we can create a cross-party forum where we can compare best practice to get more and still more people on to the register.

T9. [19233] **Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): Does my right hon. Friend agree that having an open and frank discussion about the British voting system as part of the alternative vote referendum is an excellent way to help re-establish faith and trust in British politics?

The Deputy Prime Minister: I certainly hope so. It will be the first nationwide referendum we have had since the early 1970s, and we should be open about the fact that, including in this Government, we do not agree on the best outcome. However, we all agree that it should be for the people to choose. That is why I urge those Members who are dragging their feet somewhat in allowing the proposed legislation to pass its various stages in this House and the other place to realise that we should try not only to subject it to the necessary scrutiny, but above all allow the people outside this House to have their say and so help restore some public trust in what we do.

T7. [19231] **John Robertson** (Glasgow North West) (Lab): We have heard what the right hon. Gentleman has to say about the local housing allowance and how it affects people, but what has he got to say to the 49,000 people who will be made homeless thanks to what he is about to do? Will he say sorry?

The Deputy Prime Minister: By allowing rents for new tenants, but not existing tenants, to be set closer to market rates—and by the way, rents for existing—*[Interruption.]* Rents for existing tenants went up by about 15% under the Labour Government. We are saying that we need to give registered social landlords an incentive to build new affordable homes—the building of which was at lamentably low levels under the previous Government—while all the time, of course, compensating those tenants through the housing benefit system. As I said earlier, we also think it is right for the Government to say that there needs to be some kind of limit for those people who are on housing benefit, and it seems fair for that limit to be set roughly at the level at which people who are going out to work would be looking for rented property in the private sector.

T10. [19234] **Greg Hands** (Chelsea and Fulham) (Con): The Deputy Prime Minister will be aware of Labour's catastrophic defeat in Tower Hamlets last week at the hands of the Ken Livingstone-backed independent candidate, but will he examine the issue of electoral fraud, because serious allegations of it were made at the local elections in May and again last week? Some 18 postal votes came from one four-bedroom house and eight postal votes came from a maisonette above a shop, and more than 5,000 new names were added to the roll just before the deadline. Will—

Mr Speaker: Order. I say to the hon. Gentleman that that is quite enough and we need an answer.

The Deputy Prime Minister: Where there are incidents and allegations of serious electoral fraud they need to be reported to the police. These are very serious matters; these are potentially criminal offences, and they need to be investigated by the police. So if there is evidence, it needs to be passed to the police as soon as possible.

Anas Sarwar (Glasgow Central) (Lab): During the election campaign, the Deputy Prime Minister said:

"We will resist, vote against, campaign against, any lifting of that cap"

on tuition fees. Will he take this opportunity to apologise to the hundreds of thousands of students and families whom he has betrayed since becoming a Tory?

The Deputy Prime Minister: Of course I regret—who would not regret?—making a promise and signing a pledge, as happened in this case, that we have now found that we are unable to keep. Of course I wish that the proposal for a graduate tax put forward now by the hon. Gentleman's leader, which comes from a party that introduced tuition fees having previously said that it would not do so, would work and that it was an alternative that we could implement. We looked at it very carefully—it has also been proposed by the National Union of Students—but it is not workable and it is not fair. What we will be doing shortly, when we come forward with our response to the Browne report, is install new measures that will ensure that the way in which students go to university is fairer and less punitive on those who are disadvantaged than the system that we inherited from the Labour party.

Jo Swinson (East Dunbartonshire) (LD): An important part of political reform is changing the way we do politics—for example, to make it more accessible to under-represented groups such as parents of young children. It is surely ridiculous that in this House one can take a sword into the Lobby but not a newborn child. Will the Deputy Prime Minister ensure that the recommendations on that and other issues in the Speaker's Conference report are acted on, and acted on swiftly?

The Deputy Prime Minister: I certainly agree that we should be acting on the—broadly speaking—excellent recommendations from the Speaker's Conference. As for my hon. Friend's proposal of allowing babies and young children into the Chamber or the Lobby, I cannot readily see a Government position or an amendment to the coalition agreement on that; it will be a matter for the House. However, I certainly agree—I say this with some feeling, as a father of three young children—that it is very difficult for mothers and fathers to combine having young children with life in politics, not least because of the idiosyncratic way in which we organise ourselves in this House. We need to provide all the support we can to allow parents to be good parents, but good MPs as well.

ATTORNEY-GENERAL

The Attorney-General was asked—

Human Trafficking

1. **Grahame M. Morris** (Easington) (Lab): What his policy is on prosecution of victims of human trafficking who are suspected of having committed a criminal offence. [19331]

The Attorney-General (Mr Dominic Grieve): The policy of the Crown Prosecution Service is to consider the extent to which the suspects who might be victims of trafficking were compelled to undertake the unlawful activity alleged. That is compatible with our common law defence of duress. Where there is clear evidence of duress, the case should be discontinued on evidential grounds. Where it is not clear whether the suspect was acting under duress, consideration will be given to whether the suspect was in a coerced situation. In such circumstances, there will be a strong public interest to stop the prosecution.

Grahame M. Morris: Will the Attorney-General explain the coalition Government's strategy to contain the growing criminal and completely abhorrent practice of human trafficking, particularly with regard to the trafficking of prostitutes and press reports that human traffickers aim to exploit opportunities presented by the 2012 Olympic games and the large number of people coming to London for them?

The Attorney-General: The Crown Prosecution Service works closely with the police and other related organisations to try to improve its ability to prosecute human trafficking cases. It has, for example, only very recently sent a senior prosecutor to Vietnam to discuss the issue of child trafficking into this country from that country. In addition, we are adherent to the EU directive on trafficking, which we ratified and implemented. It provided that all member states should, in accordance with the basic principles of its legal system, provide for the possibility, as I have just said, of not imposing penalties on victims for their involvement in unlawful activities. One of the reasons for that is to facilitate their coming forward so that a prosecution of the traffickers can take place.

Mr Peter Bone (Wellingborough) (Con): How does the Attorney-General square that statement with the fact that the Court of Appeal recently released three young women from prison who had been trafficked into this country and forced into prostitution but were prosecuted by the CPS against the advice of the police and the POPPY project?

The Attorney-General: It is difficult for me to comment on an individual case, although if my hon. Friend wishes to draw the particular circumstances to my attention I am more than happy to write to him about it. As I said a moment ago, the policy of the CPS and the principles it follows under the code of Crown prosecutors put the public interest at the forefront of a prosecution. Where the public interest is thought not to require a prosecution, no prosecution will be brought.

Violence Against Women Strategy

2. **Roberta Blackman-Woods** (City of Durham) (Lab): When he next plans to review the Crown Prosecution Service's violence against women strategy. [19332]

The Solicitor-General (Mr Edward Garnier): The Crown Prosecution Service's violence against women strategy was published in June 2008. The assessment of the benefits of the strategy on prosecutions for violence against women will be published in the autumn of 2011. Annual reports are also published.

Roberta Blackman-Woods: I thank the Solicitor-General for that response. I am sure that he will be aware that Durham CPS piloted the use of specialist services such as domestic violence courts and multi-agency risk assessment conferences to determine appropriate interventions in domestic violence cases. What reassurance can he give the House that those specialist services that have been so successful will continue?

The Solicitor-General: May I thank the hon. Lady for visiting her CPS office on 1 October? Her visit was most welcome and I hope that other Members of Parliament will take the same opportunity to visit their local CPS. I can give her the assurance that she seeks. The CPS, my right hon. and learned Friend the Attorney-General and I take the aspect of the criminal law that she has just addressed extremely seriously and we will ensure that both the CPS and the wider criminal justice system bear down on reducing the number of offences against women.

Rehman Chishti (Gillingham and Rainham) (Con): According to CPS data, between 2008 and 2009 12% of cases were unsuccessful in the category "violence against women" due to victim-related issues. What are we doing to address that?

The Solicitor-General: To be fair to the previous Government, they introduced the slogan and policy of "no witness, no justice". One of the most important things that we can do is to ensure that victims of domestic violence are encouraged, protected, persuaded and assisted in taking their evidence to court so that the criminal justice system can deal with those who mete out violence towards them. There is no excuse for violent people attacking others and there is particularly no excuse for the criminal justice system to ignore women within the domestic scene who are beaten up by others.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): As the shadow Solicitor-General, I look forward to working with the Law Officers, particularly in supporting the CPS in its hugely important role of ensuring an independent operation, in advising the police and in ensuring that perpetrators of crime are brought to justice. However, in light of the comments made by the Director of Public Prosecutions over the weekend to the effect that budget cuts to the CPS

"pose the biggest challenge in its history"

and earlier comments from the president of the Law Society:

"The ultimate losers from these plans for the CPS to slash its budget are the vulnerable clients in need of help dealing with housing, mental health and domestic violence",

what steps will the Law Officers take to ensure that the CPS has sufficient resources to continue to secure prosecutions for domestic violence and to ensure that cuts are not just a risky gamble with delivering justice for vulnerable groups?

The Solicitor-General: I congratulate the hon. Lady on her appointment as shadow Solicitor-General. There are many people who think that the Law Officers themselves are pretty shadowy, but I—

Chris Bryant (Rhondda) (Lab): Shabby or shadowy?

The Solicitor-General: I would never accuse the hon. Gentleman of being shabby. His dress code is always immaculate.

Chris Bryant: You have lost your train of thought now.

The Solicitor-General: I think that the train of my thought is concentrating on the shadow Solicitor-General.

Mr Speaker: Order. The train of my thought is that I would like to make some progress down the Order Paper because other Members are waiting to ask questions. We will hear the Solicitor-General's answer pronto.

The Solicitor-General: I assure the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) that the Government and the Law Officers' Department are extremely concerned to ensure that the issues about which she has just addressed the House are properly catered for within the criminal justice system and by the Law Officers.

National Fraud Strategic Authority

3. **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): What assessment he has made of the progress of the National Fraud Strategic Authority in reducing the level of fraud and online crime. [19333]

The Attorney-General: By working in partnership across the public and private sectors, the National Fraud Strategic Authority has contributed towards improving our understanding of the scale and nature of the fraud challenge, as well as making a significant contribution to improving our response to that challenge. It has produced the most comprehensive estimate yet of the annual cost of fraud to the United Kingdom at £30.5 billion, a significant part of which is against the public sector. It has launched Action Fraud, the national fraud reporting centre, which has provided advice and guidance to more than 100,000 people since April, many of whom have been victims of online crime. As part of the comprehensive spending review, the Government have provided ring-fenced funding for the NFSA to continue its work.

Alun Michael: I am grateful to the Attorney-General for that encouraging reply. Within the figures that he has mentioned, internet-related fraud ranges from very large institutional losses to large numbers of low-level attacks. Does he agree that it is important to keep up the pressure on both those fronts, so that ordinary people can be confident about being safe online?

The Attorney-General: I entirely agree with the right hon. Gentleman. I know that he chairs the e-crime reduction partnership, which was itself established by EURIM, and I welcome the fact that he has taken an interest in the subject. I assure him that the NFA will welcome his input and that of others on how it should take its work, which we value, forward. As I have mentioned, it has identified a global figure for the level of fraud, but it has also broken it down. Public sector fraud, for example, is estimated at some £17 billion, while identity fraud is estimated at some £2.7 billion.

Miss Anne McIntosh (Thirsk and Malton) (Con): If Google and Hotmail are deemed to be less secure, what recommendation can the Government make to advise ordinary people who use those accounts to make them more secure and more aware of the potential for fraud?

The Attorney-General: First, the NFSA can supply information on how people can protect themselves against fraud, and it regularly does so. Secondly, as my hon. Friend will know, the Government have announced an extra £650 million for cyber-security, which will be used to look at how hacking, getting into people's internet accounts and acquiring people's identities can be properly countered.

Unduly Lenient Sentencing

4. **Gareth Johnson** (Dartford) (Con): What representations he has received on his recent report on unduly lenient sentences; and if he will make a statement. [19334]

5. **Andrew Bingham** (High Peak) (Con): What representations he has received on his recent report on unduly lenient sentences; and if he will make a statement. [19335]

The Solicitor-General: In July this year, my right hon. and learned Friend the Attorney-General and I released information on unduly lenient sentences in cases for 2009, the latest year for which figures are available. The figures show that of 311 sentences considered by the Law Officers, 108 were referred and heard by the Court of Appeal, of which 71 sentences were increased by the Court. The decision whether to refer cases often generates a good deal of media or public interest, but no representations were received by the Attorney-General's office as a direct consequence of the publication of that information.

Gareth Johnson: Does my hon. and learned Friend agree that nothing undermines victims of crime more than unduly lenient sentences? Unfortunately, not all unduly lenient sentences can be appealed against. Will he therefore consider increasing the number of offences where such sentences can be appealed against?

The Solicitor-General: As my hon. Friend realises, the statutory scheme comes under the Criminal Justice Act 1988, which provides us with the rubric that we must follow. We are limited by that statute, but if he thinks that particular crimes or sentences need to be looked at so that that law can be adjusted, I advise him to write to the Ministry of Justice.

Andrew Bingham: The unduly lenient sentences scheme covers some but not all offences. In helping me to explain the situation to my constituents in High Peak, will my hon. and learned Friend explain why the scheme is limited to certain offences?

The Solicitor-General: The short answer is because that is what the statute says. It is confusing that there is a limitation on sentences that we can ask the Court of Appeal to consider. Cases that are triable on indictment only and cases that are triable either way are listed in the Statutory Instrument that followed the main statute. I am happy to have a discussion later with my hon. Friend to see whether we can help his constituents understand that rather complicated area of law.

Paul Goggins (Wythenshawe and Sale East) (Lab): The details that emerged during the recent trial of Bolton, Griffin and Marshall in Manchester were truly appalling, but their case could not be referred to the Court of Appeal because they were convicted only of lesser offences. May I encourage the Solicitor-General and the Attorney-General to consider carefully the merits of extending the list of eligible offences to include a wider range of violent offences?

The Solicitor-General: My right hon. and learned Friend and I are always happy to consider suggestions of that nature, but the legislation would have to be amended by the Secretary of State for Justice and his team. Another point to bear in mind is that members of the public often contact us outside the 28-day limit and we cannot consider sentences, even if they are, in theory, reparable, if they are brought to our attention after 28 days.

Diana R. Johnson (Kingston upon Hull North) (Lab): Is the Solicitor-General concerned about the plans of the Ministry of Justice to reduce prison numbers and does he think it will result in more claims regarding unduly lenient sentences being presented to his Department?

The Solicitor-General: Not necessarily.

Human Trafficking

6. **Andrew Selous** (South West Bedfordshire) (Con): What discussions he has had with the Crown Prosecution Service on steps to increase the proportion of prosecutions for offences of human trafficking which result in conviction. [19336]

The Attorney-General: I have had no recent discussions with the CPS regarding the effectiveness of prosecution policy in human trafficking cases, but the CPS has comprehensive guidance for prosecutors to ensure that decisions in human trafficking cases are taken in line with the principles in the code for Crown prosecutors, taking account of the particular factors that are relevant in such cases. However, if my hon. Friend has specific concerns, I invite him to write to me. I have regular meetings with the DPP during which we discuss a range of issues and this topic can and will be included when necessary.

Andrew Selous: Will my right hon. and learned Friend get together the CPS, the police and the judiciary to see what we can do to increase the lamentably low number of convictions that we are currently securing for human trafficking?

The Attorney-General: I certainly share my hon. Friend's desire to see the number of prosecutions increase. Of course, the CPS is ultimately a referral organisation—it takes the cases that are offered to it. There is some comfort in the latest figures: there is an indication that in the first six months of this year since April there were 17 prosecutions for trafficking under the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004, compared with only 19 in the previous 12-month period, and similar figures can be found for prosecutions under the Sexual Offences Act 2003. However, I will bear the matter in mind. There is already a lot of close working between the CPS, the Association of Chief Police Officers and the Gangmasters Licensing Authority. Of course, these matters are also discussed when necessary with the judiciary.

Emma Reynolds (Wolverhampton North East) (Lab): Does the Attorney-General recognise that in cases in which victims of trafficking are afforded better protection, such as safe accommodation, they are more willing to come to court as witnesses? If he recognises that, will he work with his colleagues across Government to make sure that victims of trafficking are encouraged to come forward as witnesses and therefore increase the prosecution rate?

The Attorney-General: As I hope I indicated in my answer to the first question, those are precisely the sort of criteria put forward to encourage people to come forward without fearing that they will suffer consequences in doing so. For those reasons, I assure the hon. Lady that this is a priority issue. As human trafficking is regarded as a very serious offence, every effort will be made to encourage victims to come forward.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Appointment of Bishops

1. **Natascha Engel** (North East Derbyshire) (Lab): What recent representations the Church Commissioners have received on the criteria for the appointment of bishops in the Church of England; and if he will make a statement. [19321]

The Second Church Estates Commissioner (Tony Baldry): The canons require that anyone to be considered and consecrated as a bishop at present has to be male and over 30.

Natascha Engel: I thank the hon. Gentleman for that answer. The Archbishop of Canterbury has recently written a newspaper article saying that it is okay to be a gay bishop as long as one is celibate. Where does the Church of England stand on people in civil partnerships? If they are celibate, are they okay to be bishops too?

Tony Baldry: There is no Church of England rule that prevents a celibate person in a civil partnership from being considered for appointment as a bishop. The issue is whether someone in that position could act as a focus for unity in a diocese. That would have to be considered by those responsible for making any episcopal appointment.

Gift Aid

2. **Richard Graham** (Gloucester) (Con): What recent discussions the Church Commissioners have had with the Chancellor of the Exchequer on the effects on church incomes of the gift aid scheme. [19322]

Tony Baldry: The Churches, and I suspect all charities, are extremely grateful for gift aid. However, the administrative complexity, and particularly the need to keep paper gift aid declarations on file, causes great difficulty.

Richard Graham: I thank my hon. Friend for that reply. Churchgoers all over my constituency of Gloucester, both of the Church of England, which spends more than £1 billion a year maintaining a community presence across the city and all over our country, and of other Churches would welcome the introduction of a gift aid "light" scheme, meaning light in administrative burden for smaller charities. Does my hon. Friend agree that it would be a good idea, and would Her Majesty's Treasury support it?

Tony Baldry: My hon. Friend makes an extremely good point. The plans being developed in Gloucester are extremely good ideas and we should like to encourage Her Majesty's Revenue and Customs to move to a more streamlined system with an option for an online filing and accounting system. That would save time and money, not just for the Churches and charities but for HMRC.

Mr David Ruffley (Bury St Edmunds) (Con): Last year, gift aid that went to St Edmundsbury cathedral was 25% lower than the aid it received from the listed places of worship grant scheme. I am delighted that the Government have extended that scheme from March 2011, but could my hon. Friend tell me what steps will be taken to publicise that scheme much more widely, so that more of our English church heritage can be preserved?

Tony Baldry: It is extremely good news that Ministers in the Department for Culture, Media and Sport have extended the scheme; that is very welcome. I think the hundreds of thousands of volunteers who raise money for the repair and refurbishment of churches up and down the country are very conscious of the VAT scheme on listed buildings and churches. My hon. Friend can rest assured that every diocese will be making sure that it is publicised in every parish.

Jim Shannon (Strangford) (DUP): The hon. Gentleman has acknowledged the importance of the gift aid scheme. Last week the Exchequer Secretary to the Treasury, in a reply to a question in this Chamber, indicated that some £4.5 million comes off the gift aid scheme. What discussions has the hon. Gentleman had with the Churches to ensure that the gift aid scheme can be increased, to ensure that they can then use that money for the work that they do?

Tony Baldry: The difficulty with the gift aid scheme at the present moment is that churches and parishes have to maintain enormous numbers of paper records, just in case there is any spot check from HMRC. It involves thousands of volunteer hours just to do so, and it would be perfectly possible to do it as effectively online, much more simply. That would be in everyone's interests, not least those of HMRC. The Church and, I am sure, other charities will continue to pursue that with ministerial colleagues in the Treasury and with the Treasury itself.

Ethical Criteria (Investments)

3. **Fiona Bruce** (Congleton) (Con): What account the Church Commissioners take of ethical criteria when making investments. [19323]

7. **Mr Jim Cunningham** (Coventry South) (Lab): What account the Church Commissioners take of ethical criteria when making investments. [19327]

Tony Baldry: The Church Commissioners are committed to managing our assets in a way that reflects the Church's teaching and values and take advice on ethical investment policies from the Church's ethical investment advisory group.

Fiona Bruce: How do the Church Commissioners use their substantial wealth to encourage responsible corporate practice?

Tony Baldry: My hon. Friend is right to raise this issue. The Church Commissioners seek positively to encourage responsible corporate practice by the businesses in which we invest. We are signatories to the United Nations principles for responsible investment. We vote our shares in line with the importance we attach to good corporate governance. We continuously discuss environmental, social and governance issues with our investment managers, and if ever we should have a concern about corporate practice in a company in which we invest, we engage with that company to seek to influence its corporate behaviour at board level.

Mr Jim Cunningham: What is the Church Commissioners' attitude to arms deals, particularly the shady arms trade? What would be the commissioners' attitude to that in terms of investment?

Tony Baldry: I can assure the hon. Gentleman that we would not invest in companies that we thought were shady. For example, we disinvested from Vedanta Resources plc recently because of its treatment of tribal communities in India. There are a number of US companies that we have made a conscious decision not to invest in because of their involvement in cluster munitions systems. Wherever possible, if we think that someone is behaving in a shady way, we would hope to influence through engagement, and engagement as a potential investor takes the Church Commissioners into discussion with the boards of some of the world's biggest companies.

Robert Halfon (Harlow) (Con): Does my hon. Friend agree that, when the Church is considering the use of its property investments, it has a charitable duty of care to the voluntary groups that may depend on the use of those properties?

Tony Baldry: Yes, of course, and I think that the Church will need to work out ways in which we can use Church property much more actively to engage with voluntary and community groups, as part of the big society initiative, which the Church has always supported and continues to support.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

National Audit Office

4. **Hugh Bayley** (York Central) (Lab): What assessment the Public Accounts Commission has made of the adequacy of the National Audit Office's resources to audit whether UK aid to other countries is spent in accordance with the Government's development policies. [19324]

Austin Mitchell (Great Grimsby) (Lab): I hope that this is not too much like a Tweedledum and Tweedledee show, but I have been asked to reply to my hon. Friend's question on behalf of the Commission. The answer is, of course, that is it up to the Comptroller and Auditor General, acting and deciding independently, to determine the amount of resources that he needs to carry out audits. I can tell my hon. Friend, however, that the resources devoted by the Comptroller and Auditor General to audit the work of the Department for International Development is proportionate to its budget allocations and that, since January 2009, either audit contractors employed by the National Audit Office or audit office staff have visited DFID operations in half the Department's 22 priority areas.

Mr Speaker: That was enormously helpful.

Hugh Bayley: I have never been so close to power and information in my life!

I, seriously, am concerned that the National Audit Office does not spend enough time with auditors in the field in developing countries to check that our aid is used appropriately and on the outcome of that spending, and, indeed, to safeguard against fraud. I ask my hon. Friend to ask the Comptroller and Auditor General to prepare a report on how the British aid budget is audited. Given that the budget is rising, the Comptroller and Auditor General should perhaps put more resources into it, and will he let us know whether he considers that he has sufficient money to do the job?

Austin Mitchell: I can tell my hon. Friend that I have never been so close to such a large volume, which, being slightly deaf, is a great advantage. However, again, this is a matter for the Comptroller and Auditor General to decide independently. I will certainly undertake to convey my hon. Friend's views to the Comptroller and Auditor General via the Audit Commission, to raise the matter with it and to ask for a greater allocation in this area.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Electoral Register (Prosecutions)

5. **John Mann** (Bassetlaw) (Lab): How many prosecutions for failing to complete the registration form for the electoral register there were in 2009. [19325]

Mr Gary Streeter (South West Devon) (Con): The Electoral Commission informs me that, in March 2010, it published data based on returns from 351 electoral registration officers showing that, in Great Britain, a total of 67 prosecutions were initiated in relation to a failure to provide information in response to the 2009 annual canvass. The commission does not hold data on the outcomes of those prosecutions. No such prosecutions were initiated in Northern Ireland in the same year.

John Mann: Why is the Electoral Commission not pressing returning officers to use the law, or does the Electoral Commission regard itself as the arbiter of good and bad electoral law?

Mr Streeter: The primary responsibility to decide whether to prosecute lies with electoral registration officers, and the hon. Gentleman may want to discuss this issue with the EROs in his community. The Electoral Commission does, of course, issue guidance to EROs and monitors their performance, and it will continue to do so.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Church Repairs (VAT)

6. **Sarah Newton** (Truro and Falmouth) (Con): What recent representations the Church Commissioners have made to the Chancellor of the Exchequer on VAT relief on the repair of church buildings after March 2011. [19326]

The Second Church Estates Commissioner (Tony Baldry): I refer my hon. Friend to the answer that I gave a few moments ago to my hon. Friend the Member for Bury St Edmunds (Mr Ruffley).

Sarah Newton: I thank my hon. Friend for that answer, which will be very much appreciated in my constituency.

As one of Cornwall's most visited landmarks, Truro cathedral inspires thousands of people each year with its architecture, music and faith. The cathedral's future relies on a £4 million investment in a vision to restore and redevelop it. The savings in VAT will be significant. Will my hon. Friend join me in thanking volunteers up and down the country who, like those in my constituency, give their time and talent freely to fundraise for their places of worship?

Tony Baldry: My hon. Friend makes an extremely good point. For all the churches and cathedrals in this country, there are hundreds of thousands of volunteers giving hours and hours of voluntary time to maintain the fabric of our very important heritage to hand on to future generations. We should all be extremely grateful to them.

Partners of Vicars

8. **Dr Julian Huppert** (Cambridge) (LD): What training and support the Church of England provides to those who become partners of Church of England vicars after their ordination. [19328]

Tony Baldry: When undertaking parish ministry, a curate and their family are able to access support from a number of people, including their bishop and their director of curate training.

Dr Huppert: Is the hon. Gentleman aware that there is a massive asymmetry between the treatment of those who become partners pre-ordination and post-ordination? If the Church expects such partners to play an active role, it should try to ensure that those who join their partner post-ordination get at least equivalent training.

Tony Baldry: I think everyone recognises that being a vicar is not an easy job. Betjeman succinctly observed:

"When things go wrong it's rather tame
To find we are ourselves to blame.
It gets the trouble over quicker
To go and blame things on the Vicar."

Every clergyman deserves our full support for what they do in the community, and their spouses—whether pre-ordination or post-ordination—deserve our support, because they are often on the front line of helping parishioners in the community. I very much hope that if any clergy spouse does not feel that she is getting full support, she will get in touch with me and I will make jolly sure that her diocesan bishops and others ensure that she gets the support that she deserves.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Voter Registration

9. **Greg Hands** (Chelsea and Fulham) (Con): What recent assessment the Electoral Commission has made of the effectiveness of mechanisms to increase voter registration of and turnout by UK citizens who are resident abroad. [19329]

Mr Gary Streeter (South West Devon) (Con): The Electoral Commission runs campaigns to promote voter registration among British citizens living abroad. The Commission informs me that the campaign in the run-up to the 2010 general election resulted in more than 40,000 overseas voter registration forms being downloaded from its website. In its report on the 2010 general election, the Commission said that the election timetable leaves insufficient time for overseas voters to receive and return their postal votes, and recommended that the Government should undertake a thorough review of the timetable for UK general elections.

Greg Hands: May I remind my hon. Friend what happened in the Polish elections of November 2007? Poland set up a number of polling stations in this country for its citizens to participate in their elections. Could we consider doing the same at British embassies or consulates abroad? The impression that I had in Hammersmith was of thousands of Poles queuing up at Ravenscourt Park to vote. It is something that we could quite reasonably copy.

Mr Streeter: I am grateful to my hon. Friend for the suggestion. We have looked at using British embassies abroad as places where expats can go and vote. There did not seem to be a great deal of interest when the suggestion was put forward by the Electoral Commission, but given the persistence with which my hon. Friend puts his case, we will consider it again.

Firefighters (Industrial Action)

3.32 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab) *(Urgent Question):* To ask the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill) if he will make a statement on what the Government are doing to halt the dangerous situation in prospect in London of industrial action by firefighters over the bonfire period.

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): As the hon. Gentleman knows from his own long experience of the fire service, the management of industrial disputes in the fire and rescue service is a matter for the fire and rescue authority concerned. The London Fire and Emergency Planning Authority holds the statutory duty to have plans in place to deal with such disruption. London has met this requirement by putting in place a contingency arrangement through a contract with a company, AssetCo.

I am retaining a close interest in the situation and I am in regular contact with the interested parties. I have emphasised that this dispute should be settled through negotiation. I understand that discussions are continuing, and I urge all concerned to find a solution to this disruptive action.

It is not the role of Government to intervene in the details of these negotiations. However, I would like to put on record my alarm and distress at the intimidation and bullying on the picket lines against AssetCo staff. At any time, abuse and violence against any front-line public servant, be they ambulance staff, firefighters or police officers, is never justified. I am shocked that it would appear that some trade union militants are now attempting to intimidate those providing an emergency service.

I have also made it clear that I find the threat of industrial action over the bonfire night period disgraceful. It is made worse by the fact that in this most diverse of cities, it will also be Diwali. When Londoners will be trying to enjoy those events, I am sorry that it seems that the Fire Brigades Union will be working actively to maximise the risk to them. Not only is the safety of families being put at risk, but the union is crudely attempting to put pressure on community groups to cancel their firework celebrations. I really am sorry to have to say that such behaviour is reckless and cynical and does no credit to the fire service. The service has great traditions, and I am sorry that they have been let down in this manner. The public will not think it a responsible way of conducting industrial action in the 21st century. They will see it for what it is: old-fashioned militant muscle-flexing.

Jim Fitzpatrick: I thank the Minister for his response to my question and for the answer to my letter of 15 October, which arrived two hours ago by e-mail.

I agree that no one wants to see the strikes, but the House should remember that when such strikes take place, the firefighters' loved ones are in as much danger as the rest of their community. No one takes these decisions lightly, and as the hon. Gentleman knows, I know, because I have been there.

What is Mayor Johnson doing to try to resolve the dispute? Can the Minister confirm that new shift patterns have been agreed in other parts of the country after negotiation by the Fire Brigades Union with chief fire officers and local councils, and can he tell us why he thinks London is different? Does he think that the use of dismissal notices is an appropriate way to conduct negotiations? And, will he seek to ensure that Mayor Johnson and ACAS get involved to defuse the situation?

The threat of strike action on 5 November, Guy Fawkes night and Diwali has caught everyone's attention and been criticised by all, but the next strike is planned for Monday 1 November, in six days' time. Can the Minister assure us that his senior advisers and officials will do all that they can to get the key players first into the same building, then into the same room, and will keep them there until an agreement is hammered out? The public want to see the situation sorted. They want to see a real effort by the Government, the Mayor, the fire authority and the union. They want a resolution, and they want to see fire crews on duty, protecting us as they always do, not on picket lines.

Robert Neill: As I said in my first response, the statutory duty to provide fire and rescue services and proper contingency arrangements lies with the fire and rescue authority, in this case the London Fire and Emergency Planning Authority, which is of course appointed by and answerable to the Mayor of London. The Mayor has issued a statement today in which he expresses his confidence that appropriate contingency arrangements are in place, and I trust him and the fire authority to deal with that.

I entirely agree with the hon. Gentleman that any dispute that reaches this stage is very regrettable. However, it is worth bearing in mind, first, that there have been changes to shift patterns elsewhere in the country; secondly, that there have been protracted negotiations over many years in relation to the London situation; thirdly, that although dismissal notices have been used, the fire authority intends to offer to re-employ all its staff on fresh contracts, so nobody need lose jobs or pay; and finally, and perhaps significantly, the fire authority chairman has pointed out how the employers' side offered and suggested a meeting of the national negotiators on that very day, 5 November. Instead of accepting that offer, the union, I very much regret to say, chose to call a strike for that day.

Chris Williamson (Derby North) (Lab): I thank the Minister for updating the House on the situation.

Any strike by the fire service is obviously a very serious matter and one that the public will understandably and justifiably be concerned about. We understand that concern, and our position is absolutely clear. Bonfire night is one of the busiest periods in the year for the fire service and will in all likelihood be even busier this year, as Diwali falls on the same date. Whatever the issues surrounding the proposed new shift patterns and contracts, a strike by the fire service on bonfire night would potentially put Londoners at risk. It is not supported by the public, and it does not have our support either. The public will rightly expect both sides in this dispute to do everything that they can to avoid an unnecessary strike. We urge both sides to sit down and talk to each other to reach an agreement as soon as possible.

Further to the question by my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), may I tell the Minister that he has our support in seeking a resolution to this dispute as soon as possible? What discussions has he had with the London Fire and Emergency Planning Authority, the Fire Brigades Union and the Mayor of London to encourage all parties to come together to reach an agreement?

Robert Neill: I am grateful to the hon. Gentleman for his support and for those observations and I am sure that everyone will welcome the condemnation implicit in his statements of some of the behaviour that we saw. He is right to say that there is scope to decide when a strike takes place and choosing 5 November was especially inappropriate in the circumstances. I hope that his condemnation of that decision will extend to a condemnation of the intimidation of those people who sought to provide cover in London on Saturday.

I have made it clear from the beginning that I hope that this will be settled by negotiation because it is best dealt with at a local level. I do not believe that Ministers intervening in the detail of that negotiation would be appropriate, but we have made it clear that our officials are in contact with the parties. The chief fire and rescue adviser has kept me apprised of all the developments throughout the recent deterioration in the circumstances and will continue to do so. Of course, he continues to receive information from all the interested parties.

Things need not happen this way, and I take it from the hon. Gentleman's words that the Opposition do not wish things to happen this way. I hope that we can say that both sides of the House conclude that this is not a mature way to deal with a dispute that involves a critical service. I hope that we can achieve a resolution and, above all, I hope that we will not see Londoners put at risk on an especially high-risk day. That would be a regrettable bit of brinkmanship, and that is why I have used the strong language that I have—it reflects the views of the public on the way in which they have been used in this matter.

Bob Blackman (Harrow East) (Con): Voters in my constituency are looking forward to celebrating Diwali and Guy Fawkes night on 5 November. Does my hon. Friend agree that five years is long enough to negotiate shift roster patterns? Is it not time that we considered reviewing whether no-strike arrangements should be introduced for the fire service nationally?

Robert Neill: Having said to the hon. Member for Derby North (Chris Williamson) that I do not think that it is appropriate for the Government to be involved in the detailed negotiations, which are best dealt with between the employers and employees, I shall not respond any differently to my hon. Friend. However, I understand the point that he makes, and it is worth reminding people that this is not something that has happened out of the blue. There has been a long build-up to this and there is a sense of frustration. I do not think that the Government have any plans to change the overall framework of industrial relations, but I want to ensure that we encourage the parties concerned to reach a resolution. My priority is to ensure that appropriate contingency arrangements are in place to keep Londoners safe in the event of this happening—and I am sure that that is the case. We must also ensure that we review those contingency arrangements and keep them up to date across the country as a whole.

Kate Hoey (Vauxhall) (Lab): Does the Minister agree—he is a fairly reasonable man—that it was reckless of the London fire commissioner to serve the notices to make people redundant? Does the Minister realise that this is not now about shift patterns? Most of the firemen and women whom I met on the picket lines when I went to talk to them in my constituency at the weekend are happy to discuss that issue, but they want the threat of redundancy—which has been brought in, but not for a very long time—to be withdrawn. Can the Minister intervene with the commission and the chairman of the LFEPA to get those threats withdrawn, to get round the table and to get this settled before next Monday?

Robert Neill: Two points arise from the hon. Lady's question. First, it is scarcely appropriate, if we believe in trusting locally elected representatives, for Ministers to seek to micro-manage the negotiations. The people involved, at the London level, on both sides of the dispute are mature and experienced people, and I hope that they will be best placed to resolve it. Secondly, the issue of the dismissal notices sometimes arises in industrial relations disputes. It has not happened in the context of the fire brigade before, but as my hon. Friend the Member for Harrow East (Bob Blackman) observed, this situation did not arise suddenly, but at the end of a protracted five-year negotiation. I am not saying what tactics the parties should use, but the lengthy context has to be borne in mind.

Simon Hughes (Bermondsey and Old Southwark) (LD): As somebody who has in their constituency the London fire brigade headquarters, three fire stations and a fire training centre, and who has met both management and the unions in the past fortnight, may I ask that the message be passed on, first, that most fire officers are really keen that there be a resolution, because they do not want to go on strike, and secondly that on the shift patterns, there is not much objective distance between the management and the unions? It should be capable of resolution. I want to add my voice to those who say that there is a way forward by negotiation rather than this clearly unwanted industrial action, which would affect the whole city.

Robert Neill: I agree with my hon. Friend. It is perhaps significant that the management side adjusted its offer and was prepared to change, to some degree, the extent of the alteration of the hours to reflect earlier discussions. I hope that that will be the spirit in which the negotiations are taken forward.

Mr David Lammy (Tottenham) (Lab): Over the weekend, there was a fire in Enfield in which a house burned to the ground, and there are serious suggestions that the stand-in fire officers who turned up pointed their hose in the wrong direction. Will the Minister say more about the contingency arrangements, and will he also say what his assessment is of fire services in London, given the 13% cut in the spending review?

Robert Neill: I have been acquainted with the reports on the Enfield incident. The chief fire and rescue adviser liaised with the commissioner on that matter. Sadly, I

[Robert Neill]

have also been acquainted with reports—in some cases, documented on camera—of the harassment that the crews endeavouring to provide cover had to suffer. They had to do a job under extremely difficult—frankly, unacceptably difficult—circumstances. We want to ensure the best possible standards of cover, and we condemn anyone who seeks to undermine the cover that people attempt to provide. I am satisfied that the London fire brigade—I know it well, as does the right hon. Gentleman—operates to the highest professional standards and will do its level best, despite the difficulties, to make arrangements available. Those arrangements are made via the contract with AssetCo, which is a company with considerable experience in the fire service field, and involve the provision of services using up-to-date fire brigade equipment and persons trained to use that equipment.

Greg Hands (Chelsea and Fulham) (Con): I know that the Minister shares my concern about reports from the BBC and elsewhere about engines being stopped by picket lines during last Saturday's strike. Will he reassure us again that the Government will do all they can to support emergency crews who do want to work, and to stop any intimidation and harassment?

Robert Neill: My hon. Friend is absolutely right. It cannot be acceptable, whatever the situation or dispute, for fire engines attending to a call to be forced to pull over to the side of the road by people who have pursued them on motorbikes, in cars and sometimes in black taxi cabs, for their water tanks to be emptied to render them useless, and for equipment to be removed, and nor is it acceptable for threatening text messages to be sent to people trying to work. That is utterly unacceptable behaviour, and I am sure that every Member finds it revolting. Of course, the Government will do all they can. I know that the fire commissioner is liaising with the police commissioner. The police endeavour to give appropriate support, but of course, given the nature of things, their resources are stretched as well. I am confident, however, that the Metropolitan police will give all appropriate support to those who are working to carry out a statutory duty.

Jeremy Corbyn (Islington North) (Lab): Does the Minister not understand the anger of firefighters—who have kept this city safe for so long, and whom we all rely on and applaud when they put fires out and make places safe—when they are sent dismissal notices and are told that they have to accept a new contract without any negotiation, and when we have a Mayor who refuses to meet them and a Minister who is apparently not even prepared to meet the Mayor to discuss a resolution? Can the Minister not use this opportunity today to send a message to the Mayor and the chair of the fire authority to meet the union now, and come to an agreement that does not involve the wholesale dismissal of loyal public sector workers who have kept this city safe for so long?

Robert Neill: The context of my response has already been set out. It is quite clear that the dismissal notices, which are not issued lightly, came only at the end of negotiations that have gone on for something like five years. I am not going to start lecturing the Mayor of London on how to conduct matters, particularly when the management side on the fire authority has suggested that there should be negotiations through the recognised national negotiating body on 5 November. I would have hoped that the union would take up that offer, but instead it chose to call a strike. Perhaps the best people to advise, therefore, are those in the union, who should be asked why they are not taking up the offer and getting round the table on 5 November, rather than walking out.

Tom Brake (Carshalton and Wallington) (LD): What additional resources can the Minister call on if the contingency arrangements fail?

Robert Neill: I do not think that there is any evidence to suggest that the contingency resources will fail. The important thing is to ensure that no impediment is put in the way of those operating the contingency resources, to ensure that they do just that. Under the Fire and Rescue Services Act 2004, the legal duty to ensure that those resources are in place rests with the fire authority, to which we offer advice and assistance in carrying out that duty. The London Fire and Emergency Planning Authority has chosen to meet those statutory requirements through the contract that it has. It has operated satisfactorily, despite the difficultly on Saturday, and I am sure that the authority is refining its operation in the event that it should be necessary on a future occasion.

John McDonnell (Hayes and Harlington) (Lab): Only a few months ago, I came to this House with the families of FBU members who had given their lives to save members of the public. The FBU does not take industrial action lightly, and it is taking it only because unacceptable statements have been made, such as statements about five years of negotiations. Negotiations started two months ago, and then unprecedentedly, as the Minister said, all FBU members in London were threatened with the sack if they did not sign up to new contracts. The situation now is that the Mayor refuses to intervene, while the leader of the authority—whom the Audit Commission has described as confrontational, and his colleagues describe as, at times, hysterical in his approach to the issues—is aggravating the situation. Therefore, I believe that it now behoves the Minister to intervene to save us from the dispute and to bring both sides together to ensure a negotiated settlement; otherwise lives will be put at risk not by the FBU, but by this Government and their representatives on the fire authority.

Robert Neill: Ultimately, I am afraid, the risk to life is caused by those who chose to strike on that particular date. I am afraid that I just cannot accept the hon. Gentleman's proposition that what has happened comes outside that context. I do not believe that such decisions are taken lightly, but I have to say—and I say it again—that I regret that the FBU has made such a serious misjudgment on the timing and calling of the strike. I repeat: discussions have been going on for upwards of five years to try to resolve the matter—they have been on-off—and I am afraid that the hon. Gentleman is misinformed to say that what has happened has been suddenly plucked out of the air, in isolation.

I do not intend to lecture the statutorily responsible bodies, which are democratically elected and accountable, on how they carry out their job, particularly when they

have made an offer to negotiate that has apparently been rejected on the very day that they could have been sitting round the table. The best thing that the hon. Gentleman could do is use his good offices and contacts in the union to persuade them to get back round the table on 5 November, and if not hopefully before that.

Nadhim Zahawi (Stratford-on-Avon) (Con): The Minister will know that I have championed the cause of firefighters in my constituency. As a member of the all-party fire safety and rescue group, I want to ask him about the cynical decision to hold a strike on bonfire night, when the number of incidents is sometimes double or triple what it usually is. Will he work with the Opposition to bring forward emergency legislation to stop the strike on bonfire night?

Robert Neill: With every respect to my hon. Friend, whose interest in the matter I acknowledge, I do not think that the introduction of emergency legislation will help to resolve a difficult scenario. We need to ensure that we make some serious progress. However, I want to take this opportunity to say that I stand second to none in my respect and admiration for the fire service and for the men and women who work it up. I have been involved with it, in the various forms of my public life, for the best part of 25 years, which is why I am so saddened that the leadership of the union has so badly misjudged the timing of this dispute and let down the brave men and women among its membership.

Chris Leslie (Nottingham East) (Lab/Co-op): Is it not clear that the lamentable settlement that the Minister achieved in the spending review will result in cutbacks not just in London but across the rest of the country, and that that will lead to disagreements and disputes fanning out everywhere? For instance, is he happy about reports that the number of fire engine appliances in Nottinghamshire is to go down from36 to 30?

Robert Neill: The attempt by the hon. Gentleman to distract us from the immediate situation in London by making reference to the spending review does him little credit and is frankly unworthy of the seriousness of the situation. This dispute was in existence long before the spending review took place, and I hope that he will concentrate on resolving it. We can have debates about the spending review in more appropriate circumstances.

Mr Stewart Jackson (Peterborough) (Con): I speak as a former member of the London Fire and Civil Defence Authority and as only the second graduate of the parliamentary firefighters scheme. I congratulate the Minister on his robust line, which better represents the public than the hard-left leadership of the Fire Brigades Union. Is it not a fact that the previous Labour Administration allowed the Fireguard resilience planning programme to fail? Will my hon. Friend give the House an undertaking that he will work with the Chief Fire Officers Association and other key stakeholders to ensure that resilience planning is in place, particularly in the run-up to the Olympics, so that we can be prepared for any further industrial action and other eventualities?

Robert Neill: I am grateful to my hon. Friend for his interest and expertise in these matters. He is right to say that Fireguard did not succeed; that leaves a limited number of options available to us. It is also fair to say that, since becoming a Minister, I have made it my business to keep in contact with all the principal players, including the Chief Fire Officers Association and the union, whose general secretary and assistant secretary I have met on a number of occasions. I want to put it on record that my door remains open to them as much as to anyone else.

The Audit Commission recently reported on resilience, and it is important that we should never be complacent about it. That applies right across the country. The chief fire and rescue adviser, together with officials in the Department, continue to keep in touch with the fire authorities to ensure that we review and maximise the resilience arrangements that are available to the fire and rescue authorities.

Transport (Investment)

3.58 pm

The Secretary of State for Transport (Mr Philip Hammond): With your permission, Madam Deputy Speaker, I would like to make a statement on the Government's investment plans for our transport networks. During the course of my remarks, hon. Members might find it helpful to refer to the documents that I placed in the Library of the House and the Vote Office a few minutes ago.

As my right hon. Friend the Chancellor explained last week, the decisions that we have taken to cut waste, end lower-priority programmes and reform the welfare system allow us to invest in Britain's long-term economic growth and to prioritise transport infrastructure to support that growth. We have already announced a green light for Crossrail and for tube upgrades, plans for investment in low-carbon vehicles and recharging infrastructure, and work on a high-speed rail network. Work is continuing on the evaluation of additional investment in major rail projects, and I expect to be able to make an announcement to the House on that in the next few weeks.

Today, I can confirm a programme of investment in our crucial strategic road network, managed by the Highways Agency, and in our local transport networks. We will continue to invest in capital maintenance, spending £5.9 billion over the next four years on unglamorous but important works to maintain the integrity of the network, both strategic and local.

We have also allocated more than £180 million over the four-year period for high-value minor enhancements to the strategic road network. We are taking action to reduce the cost of proposed Highways Agency schemes by re-specifying, renegotiating with suppliers and improving governance and control. Thanks to those decisions, I can confirm that funds will be available for sustainable upgrades to the strategic network to tackle congestion hotspots, delivering network-wide benefits that provide very high returns on investment.

I can confirm today that the eight Highways Agency major schemes currently under way will be funded to completion and open to the public in the next two years. I can also announce today funding for 14 new projects, including the schemes announced by my right hon. Friend the Chancellor last week, to commence on site by April 2015. These are: the A11 Fiveways dualling; the M4 and M5 junction north of Bristol; the M6 between junctions 5 and 8 in Birmingham; the M62 between junctions 25 and 30 near Leeds; three schemes on the M1 between Derbyshire and Wakefield from junctions 28 to 31, 32 to 35A and 39 to 42; four schemes around Manchester from junctions 8 to 12 and from 12 to 15 on the M60; junctions 18 to 20 on the M62 and from Knutsford to Bowdon on the A556; improvement of the A23 between Handcross and Warninglid; the completion of the upgrading of the M25 with a managed motorway scheme for peak time hard-shoulder running between junctions 23 and 27 and between junctions 5 and 7. Those essential investments will cut congestion, improve journey times and, most importantly, support economic growth. Every pound we spend on these schemes will generate on average £6 of benefits.

I can also confirm that work will continue on developing a further set of Highways Agency schemes ready to start in the next spending review period if funds become available. A detailed list is included in the documents I referred to earlier. There is also one last group of four current Highways Agency schemes that will be reviewed to see if they still represent value for money and can be progressed for the next spending review period.

Important as strategic roads are to the national economy, many of the highest value-for-money proposals are those that address the needs of the local road and public transport infrastructure that supports the economies of our cities, towns and rural areas. That is why, last week, we announced our commitment to completing major local projects worth more than £600 million—including measures to improve access to Weymouth in time for the Olympics and acceleration of work on the Tees Valley bus network, and, I can confirm, the intention to invest up to £350 million to complete the upgrade of the Tyne and Wear metro.

We have also announced our intention to proceed with private finance initiative schemes to extend the Nottingham tram network and deliver sustained improvements in highways maintenance in Sheffield, Hounslow and the Isle of Wight. My Department will work urgently with the four local authorities concerned to ensure that we can deliver these schemes within the available funding.

My right hon. Friend the Chancellor also announced last week that we will invest more than £900 million over the next four years on new local authority major schemes: including a new bridge over the Mersey at Runcorn, partly funded by tolls; improving access to Leeds station; and extending the Midland Metro tram line from Snow Hill to New Street through Birmingham city centre.

I can confirm today that a further seven major local authority projects have also been given the green light, subject to planning and other approvals. They are: a new bus interchange and associated transport improvements in Mansfield; a new bypass, which will take traffic away from communities in Sefton; an integrated package of sustainable transport improvements in Ipswich; major improvements to the M5 at junction 29 east of Exeter, providing access to new housing and employment areas; a bypass to the north of Lancaster, improving connections between the port of Heysham and the M6; improvements on the A57 east of the M1 junction 31, near Todwick; and a new northern distributor road in Taunton to provide additional cross-town capacity and access to areas of brownfield land.

Those schemes, worth about £300 million in total, have been selected from a pool of projects with proven business cases. They are listed as supported schemes and shaded green in the list to which I referred earlier. Our duty, however, is to ensure that every pound that is spent is essential. Even with those priority schemes, I expect the local authority promoters to work with my Department to ensure that every opportunity for cost saving has been taken and every source of alternative contributions has been fully explored before funding is confirmed in January next year.

Although the House will welcome the decisions, Members on both sides of the House will want to know how we propose to handle the remaining schemes. The £600 million plus remaining for additional new projects, after the

announcements already made, demonstrates the importance that we attach to local authority major schemes, but it will not be enough to fund all the schemes proposed by local authorities. In the list that I have placed in the Library, I have included all currently submitted schemes, including three that previously had conditional approval and that we will now seek to progress to full approval, showing how we propose to categorise each of them.

For 22 schemes, for which my Department has completed a value-for-money assessment in the past four years, we will invite best and final funding bids from the development pool—the schemes shaded amber in the list. Promoters will be challenged by my Department to consider the scope of the scheme, its cost, lower-cost alternatives and their ability to contribute more locally. Those who can make the best case are the most likely to receive funding, which will be confirmed by the end of 2011.

Further analysis will be carried out on another 34 schemes, for which the Department does not currently have an up-to-date assessment, to determine whether they can go forward to join the development pool and bid for a share of the £600 million plus of funds available. Those schemes are shaded blue on the list. A decision will be made by January 2011.

This competitive process will ensure that the greatest possible number of schemes, with the best value for money, will be able to proceed, facilitating economic growth and creating jobs across the country. Under regional funding allocations, regional and local bodies were encouraged by the previous Government to identify a large number of schemes for longer-term prioritisation. Many of those were in the early stages of development, with no business cases submitted to the Department for Transport before the cut-off that we announced on 10 June this year.

In the longer term, I want such decisions on local transport priorities to be taken out of Whitehall and placed in the hands of local people. My Department will work with the emerging local enterprise partnerships and local authorities to identify the best approach to local decision making on future transport priorities.

I have set out our decisions and what they mean for our strategic and local transport networks. The measures will help to deliver long-term, sustainable and affordable economic growth in this country. The difficult choices made by the Government have allowed us to invest in the future. I commend the statement to the House.

Maria Eagle (Garston and Halewood) (Lab): May I begin by thanking the right hon. Gentleman for sending my office a copy of his statement in advance? Helpfully, he also placed a copy of the document to which he has been referring in the Vote Office. On my way in, I saw what looked like a bus queue there, because the document was late—a bit like some buses. None the less, it is better late than never. Members on both sides of the House will be grateful to have had sight, at least before he began his statement, of a copy of the document showing what has happened to the schemes.

This is the first time that the right hon. Gentleman and I have faced each other across the Dispatch Box, and I look forward to further such exchanges. We have at least one thing in common: he does not want to be in his current job because he would rather be the Chief Secretary to the Treasury, and I do not want to be in my job, because I would rather be in his job—in a Labour Government of course. We will see which one of us gets what we want first.

I welcome the confirmation of the projects that the Secretary of State listed in his statement. They were planned by the last Government, and I am pleased that he has recognised the need for that vital investment to be protected. Let me say at the outset that we have pledged to be a responsible Opposition, and that when I agree with the Secretary of State, I will support him and work with him. Transport is critical to our national interest, and investment in infrastructure is vital to our construction industry and the rebalancing of our economy from financial to real engineering. To the extent that we can find common ground, I certainly intend to ensure that we work together.

As a north-west Member of Parliament, I especially welcome the confirmation of much of the funding that the last Government agreed for the second Mersey crossing between Runcorn and Widnes and the electrification of rail lines between Lime Street, Manchester, Preston and Blackpool, which will mean more reliable, greener services with more capacity and reduced journey times. Those projects are vital to the regional economy, and it is absolutely right for them to proceed.

While Members on both sides of the House will welcome the commitments made today to a wide range of important transport infrastructure projects, the statement raises a number of questions. The main purpose of the schemes is to tackle congestion, yet at the same time the Secretary of State has announced hikes in rail fares that may well drive people on to the roads. Indeed, I believe that they will. Does the Secretary of State accept that lifting the cap on regulated rail fares and allowing them to rise to 3% above inflation from one year to the next will further squeeze hard-working people who commute? Many have already been hit by cuts, including cuts in child benefit, and they are about to face a increase in the VAT rate to 20%, an increase in employees' national insurance contributions, and, if they are in the public sector, an increase of 3% in their pension contributions. Just how much more can commuters be expected to take?

Does the Secretary of State accept that, according to the assumptions on inflation by the Office for Budget Responsibility, the increase means that commuter fares will rise by 33.6% by 2015? That will simply drive people off the railways and back on to our already congested roads. His predecessor as spokesperson in opposition, the Minister of State, Department for Transport, the right hon. Member for Chipping Barnet (Mrs Villiers)—who is present—said that a 3% rise in fares would be enough to

"price people off the railways".—[*Official Report*, 17 July 2007; Vol. 463, c. 149.]

What does he think that a 33.6% increase will do?

Why did the Secretary of State argue in an interview with *The Times* on Saturday that the fare rises would be 10% over four years? He said:

"If you are paying £1000 for your season ticket now, it could cost you £1100 at the end of the period".

I know that, as he told *The Times*, the Secretary of State loves his Jaguar—I love Jaguars as well, especially as they are built in my constituency—but let me tell him that a season ticket from Weybridge to London costs

[Maria Eagle]

£2,272 today, and that, as a result of these fare rises, it could cost £3,035 by 2015. Someone who aspires to be Chief Secretary to the Treasury should be able to tell that that increase is much more than 10%.

How many of the schemes that the Secretary of State has announced today will, under the revised plans, be completed later than was originally intended? What percentage of the cost of those schemes will now be covered by the current spending review, and how many will see their completion delayed until the next? What assessment has the Secretary of State made of the economic impact of the delays on jobs, growth and competitiveness? How many of the schemes have been approved on the basis of the original proposals that he inherited, and which of them have been scaled back? What are the implications of that for each scheme?

What consultation has been carried out with local government and local communities about any changes to the schemes? What percentage and amount have been moved from Government expenditure to PFI? Has the Secretary of State completed any assessment of the impact of the reduction in transport capital expenditure on our wider transport networks? What assessment has he made of the impact on our road network, and likely increases in congestion, of the significant increases in train fares and the cuts in local bus services that the comprehensive spending review set out? What assurance can he give us that these schemes will lead to high-quality manufacturing jobs in the United Kingdom, with contracts being secured by British industry?

Finally, does the Secretary of State agree that it was quite wrong of him to spin his comprehensive spending review settlement as a huge victory? Is not the reality that he over-spun his settlement? I have here an analysis by the Institute for Fiscal Studies of the impact of the CSR on Government Departments. Helpfully, it has listed Departments as winners and losers, and I am sorry to have to tell the Secretary of State that the IFS says he is a loser.

The impression given by the Secretary of State is that cuts in his budget have no impact on capital investment. However, on top of the 21% reduction in resource spending, there is to be an 11% cut in spending on capital. That is 11% less spent on vital infrastructure, so it is quite wrong for the right hon. Gentleman to suggest that he has somehow secured a great victory or that spending is not being cut. No doubt we will have many more exchanges across the Dispatch Box, not least when the right hon. Gentleman announces his rail investment proposals.

The Labour party aspires to have an integrated transport policy. Perhaps the right hon. Gentleman can in future have an integrated transport statement and tell us about all the investment on the same day.

Mr Hammond: I thank the hon. Lady for her comments and welcome her to the Dispatch Box. I welcome the tone of her initial remarks at least; I am sorry it degenerated a bit towards the end. I am also sorry to have to tell her that I cannot write as quickly as she can ask questions so I am not sure that I took them all down, but I will try to deal with some of the issues she raised.

On the departmental settlement, frankly I think it is a bit rich for the hon. Lady to say that an 11% reduction in transport capital expenditure is a disastrous settlement, because when her Government were in office they were planning a 50% cut in total public capital expenditure. In the comprehensive spending review, the Government had to take difficult decisions about what to prioritise. The Department for Transport faced the smallest reduction in capital expenditure of any Department and it now has the second largest capital budget in the Government. I would have thought that the hon. Lady would welcome that as a way of protecting transport infrastructure investment.

The hon. Lady asked about rail fares, and although today's statement is not primarily about railways I am happy to deal with that issue. Of course I would have preferred not to raise the cap on regulated fare increases, but we faced a choice between going ahead with the investment in additional capacity to reduce overcrowding and improve the attractiveness of the railways to passengers or increasing fares, and I took the decision that the right long-term solution was to increase fares for a period of three years. But let me be clear: I agree with the hon. Lady that fares cannot increase indefinitely, and the medium-term solution to the challenge on our railways has to be getting the cost base down so that the railways are affordable for both passengers and the taxpayer, who supports the railways through subsidy.

The hon. Lady asked whether the schemes announced today would be completed later than originally planned. Most of these schemes did not have a specific timetable, but I can tell her this: over the next four years transport investment will be greater in cash terms than it was over the last four years, so we are not talking about some massive rescheduling of the programme.

The hon. Lady asked about consultation with local government. All the local authority schemes I mentioned today were, of course, proposed by local authority sponsors, and there is constant dialogue between local authorities and my Department. In line with Mr Speaker's recommendations, we have made this statement first to the House of Commons, but local authorities will be informed during the course of today of what I have said about their schemes, and we will now engage in intensive dialogue with them as we take these proposals forward.

We believe that investment in highway infrastructure and local transport schemes is crucial to making the UK an attractive place for manufacturing investment, both indigenous and inward. As the hon. Lady knows, I cannot promise her that the jobs created directly by this investment will go to UK providers because the schemes will be subject to the European procurement directive rules and will have to be tendered in an open and transparent way, but I am sure that our announcements today will support the revival of the UK manufacturing base, which is critical to this country's future.

Anna Soubry (Broxtowe) (Con): While I welcome, after years of dithering by the last Administration, a decision on the extension of the tram network in Nottingham—one of the routes passes through my constituency—please will the Secretary of State look at Nottingham city council's plans for a workplace parking levy? I also ask him to consider the effect of that levy on jobs in my constituency. Boots employs more than 7,500 people at the Beeston site. The workplace parking levy will threaten jobs throughout greater Nottingham.

Mr Hammond: I am grateful to my hon. Friend for her remarks. I know that the Nottingham tramway is not universally popular and that the workplace parking levy is even less so. However, if we are serious about a localism agenda, we will find that sometimes, perhaps often, the things that elected local authorities choose to do on behalf of local residents are not always in accordance with our own preferences and priorities. That is in the nature of localism, and I embrace it.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I welcome the positive parts of the statement, but there are major problems relating to the very important strategic schemes currently funded and identified through regional allocations. Does the Secretary of State agree with his statement to the Select Committee on Transport that structures wider than local economic partnerships would be necessary to examine such schemes in the future? Does he still maintain that this will bring more localism, given that we are told that future schemes of this nature will be funded partly through the regional growth fund and that decisions on that fund are to be taken entirely nationally?

Mr Hammond: I am glad that the hon. Lady has raised the issue of the regional growth fund. It is important to reiterate that that fund will be open to transport projects; they will be able to bid for funding from it. However, that is not in substitution for the very significant allocations that I have announced today—it is in addition. I hope that some of the smaller local authority schemes, in particular, may be worked up as bids to the regional growth fund.

The hon. Lady talks about local enterprise partnerships. As I said in my statement, my objective is to move to a system that more clearly allows local communities and local authorities to determine how the funding allocated to their area should be spent. The previous Government introduced the regional funding allocation system. The mechanisms through which that was intermediated are now to be abolished, along with the regional structure of government. What I said to the Select Committee and repeat today is that my Department will carefully examine the LEPs as they come into being. Of course they are a bottom-up structure, rather than a top-down one, so different LEPs will look different. We will need to see how they are organised and whether they are on a sufficiently strategic scale to be allocated transport funding individually or whether we might ask them to form strategic alliances with other LEPs as a basis for transport funding over relevant geographical areas.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. May I just inform hon. Members that a large number of you want to get in, so by asking a short question to the Minister and receiving a short answer you will help each other enormously in ensuring that all the points are made? I call Martin Horwood.

Martin Horwood (Cheltenham) (LD): Thank you, Madam Deputy Speaker. May I also thank the Secretary of State for the advance notice of his statement that was given to me? I welcome the overall investment that he has announced today, his commitment to local decision making and, specifically, the investment in road maintenance, rail, light rail, trams and locally integrated transport schemes. I am sure that those will be welcomed across the country. As a Gloucestershire Member—I am sure that he will have expected me to say this—I regret that the redoubling of the Swindon to Kemble line has not been included in any of the documents, despite being a highly economic and economically very important scheme. May I ask him whether or not that is precisely the kind of scheme that in future local communities will be able to express as a priority under the localism agenda that he has talked about, and whether or not he agrees with me—

Madam Deputy Speaker: Order. I say to the hon. Gentleman that I have only just advised the House that hon. Members could help each other by being brief. I would be grateful if the Minister would now answer.

Mr Hammond: The Swindon to Kemble project, which my hon. Friend mentions, was uniquely the only Network Rail scheme brought forward under the regional funding allocation system. It had not submitted a business case to the Department before the cut-off date of 10 June, but it is the type of scheme that might be put forward in a future locally prioritised funding process. Alternatively, it might be submitted as a proposal for control period 5 in the Network Rail settlement from 2015.

Clive Efford (Eltham) (Lab): Will the Secretary of State provide some clarification of the Prime Minister's comments at the CBI yesterday—reported in today's media—where he seemed to give a commitment to building the Thames gateway bridge, which, as the Secretary of State will be aware, was abandoned by Mayor Boris when he was first elected? That seems to suggest a lack of communication between City Hall and No. 10. People in south-east London are demanding that something be done about the daily congestion that builds up at the Blackwall tunnel. If the Secretary of State is in communication with the Mayor, will he consider that option since many local people are demanding that something be done about that daily nightmare?

Mr Hammond: I have not seen my right hon. Friend's speech, but I suspect that he was referring to the statement made last week about the Dartford crossing, where we have made the tough decision to increase charges. We have also made a commitment that the crossing will not be sold, as the previous Government proposed, and that we will work up proposals for additional capacity crossing the Thames at or in the region of that area.

Paul Maynard (Blackpool North and Cleveleys) (Con): I welcome the upgrading of the Blackpool tramway and the many other infrastructure improvements in the north-west that will remove barriers to economic growth. Will the Secretary of State join me in congratulating the work of the Northern Way, which has provided such an excellent evidence base to help with the quality of transport policy making in the north? What role does he see the Northern Way playing as we go forward in ensuring that we have excellent quality data on which to judge policy?

Mr Hammond: I am grateful to my hon. Friend for that question. The Northern Way has produced some extremely valuable work that has informed a number of

[Mr Philip Hammond]

the decisions that have been taken and I look forward to its continuing to contribute to the debate.

Mr Bob Ainsworth (Coventry North East) (Lab): May I tell the Secretary of State that the Coventry and Warwickshire travel-to-work area runs on a north-south axis and, despite the congested state of the roads and the existence of a railway, a fraction of 1% of the journeys take place by rail? That is why the Coventry to Nuneaton rail upgrade is so important. It seems that he has put us in the waiting room for the waiting room and that we have only until January, to save the scheme at all. I have no doubt that if the Coventry and Warwickshire local enterprise partnership was up and running, that would be the top priority for it, but will the Secretary of State advise us how on earth, when that LEP is not even in existence yet, we can impress on his Department the importance of this scheme and get it into a state for approval before January? I would like some advice.

Mr Hammond: To clarify, the scheme to which the right hon. Gentleman refers is one in the pool of projects submitted to the Department before the cut-off date that we announced in June, but it has not yet been appraised by the Department. The Department will now make a rapid assessment of the scheme—the right hon. Gentleman asserts that it is extremely high value for money, but I can tell him that the promoter of every single scheme that I have come across asserts that their scheme is high value for money. A number of these schemes will then be accelerated into the development pool so that we can do further work on them with the promoters during 2011 with a view to allocating funding at the end of 2011. I would say to the right hon. Gentleman, as I said to my hon. Friend the Member for Cheltenham (Martin Horwood), that if a rail scheme is not successful in this funding process, it will of course be possible for it to be put forward as a proposal for the next control period of Network Rail's capital enhancement settlement.

Andrew Percy (Brigg and Goole) (Con): For years, Yorkshire and the Humber has had some of the lowest per capita transport funding in the country, so I welcome the investment in Yorkshire and the Humber today and specifically the two schemes in the Humber area—the A63 Castle street and the A161—that are likely candidates for funding into the future. May I ask the Secretary of State whether he will take into account when making a final decision the massive investment that is going into the ports on both the north and south banks of the Humber? Will he also give us any further details of when a final decision will be taken on whether those schemes will be funded?

Mr Hammond: Transport funding in Yorkshire and the Humber is now about average, although I accept the comments that my hon. Friend has made about historical levels of funding. The two schemes to which he referred will not be funded during the current spending review period but they will continue to be worked on as schemes for funding in a future spending review period, as and when funding becomes available. The appraisal model that the Department uses will take account of the effects that he talks about and the external benefits that can be delivered.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): In reassessing the M54-M6 toll road, will the Secretary of State take into account travel times? Over the years, travel times between London and Scotland have seemed to be increasing. Will he take that factor into account?

Mr Hammond: Travel times and potential journey savings are one of the key factors that the current model takes into account. The M54-M6 toll link is in the group of schemes that will be reassessed, because the Department needs to reassure itself that the value-for-money case for the scheme still applies.

Ben Gummer (Ipswich) (Con): I am delighted that funding for "Ipswich—Transport Fit for the 21st Century" is being brought forward, a decision on which the previous Administration dithered, and I thank the Secretary of State for having regard to my many letters to him on the matter. Will he describe in greater detail the hurdles over which the county council now needs to leap to achieve funding in January?

Mr Hammond: The Under-Secretary, my hon. Friend the Member for Lewes (Norman Baker), will be in Ipswich tomorrow to examine the scheme, when there will no doubt be an opportunity to discuss those issues with the promoters. Of course, the promoters will need to obtain any necessary planning and other statutory consents to allow schemes to go ahead. We will engage with the local authority promoters to ensure that any unnecessary cost has been squeezed out of the scheme and that every opportunity to secure supporting non-public-source funding has been explored and exhausted. By doing that, we will ensure that the total pool of schemes that we can support is as large as possible and that the economic benefits to the economy as a whole are as great as possible. We will undertake that work with the local authority promoters as a matter of urgency.

Mr Jim Cunningham (Coventry South) (Lab): I thank the Secretary of State for receiving a delegation from Coventry on the Nuneaton to Coventry line, which is better known as the NUCKLE project. Further to the remarks made by my right hon. Friend the Member for Coventry North East (Mr Ainsworth), the scheme has been around for several years, and I appreciate the fact that it is still in the running. Even under the previous Government—we had a go at them—officials kept knocking the scheme back for a variety of reasons. Will the Secretary of State assure me that the scheme will get a fair wind this time round?

Mr Hammond: I assure the hon. Gentleman that all schemes will be objectively appraised and that I do not always take the word of my officials; I ask to see the underlying data and business case, and I shall continue to do so.

Mr Don Foster (Bath) (LD): The Bath transportation package is now in the development grouping. Some aspects of the scheme are unacceptable to many people, including me, but I stress to the Secretary of State that modest Government support would deliver in Bath £2.5 billion of public investment, the largest brownfield development site outside London, 7,000 new jobs and

2,500 new homes. When he is judging what constitutes the best case for success, will he assure me that he will include the potential for economic growth?

Mr Hammond: Indeed I can. As I made clear in my statement, potential for economic growth is one of the key priorities in allocating funding. I am also aware that many schemes do not have 100% support for the currently proposed solution in the communities that they serve. Where there are ideas about how a scheme might be differently presented and how costs might be taken out in order to make a scheme more attractive and thus significantly more likely to secure funding, the Department will be interested to hear about them in the course of the process.

Lilian Greenwood (Nottingham South) (Lab): The Secretary of State says that he wants to move to local decision making, but I can tell him that local people, local authorities, local MPs on both sides of the House and local businesses all want the A453 widening to go ahead, and we produced a dossier to him to explain why. Does he accept that his decision to shelve the scheme until at least 2015 will be a kick in the teeth for our regional economy, local businesses and the job creation we so clearly need?

Mr Hammond: Dear, dear! I must be going deaf, because I did not hear the hon. Lady mention the Nottingham tramway or the ring-road improvement. Far from being a kick in the teeth for Nottingham, this very carefully made decision prioritises the projects with the highest value for money. Whether she likes it or not, the ring road showed a much higher return per pound of taxpayers' money—

Chris Leslie (Nottingham East) (Lab/Co-op): Rubbish!

Mr Hammond: The hon. Gentleman says that, but it runs through his constituency; there is no pleasing some people. The ring road showed a much higher return per pound of taxpayers' money spent than did the A453 scheme. However, the A453 scheme is in the development pool and we will continue to work on it. As the hon. Lady will know, the scheme has some powerful advocates who regularly make the case for it to me.

Miss Anne McIntosh (Thirsk and Malton) (Con): I applaud the criteria by which the Secretary of State has chosen to decide which projects should go ahead, but on the basis of sustainability, affordability, economic growth, cutting congestion and, I add, road safety, for what reason has the A1 Leeming to Barton project been cancelled? It was widely expected that it would go ahead to increase road safety, reduce road deaths and increase economic growth, and it is a major national road artery.

Mr Hammond: Decisions on the cancellation of Highways Agency schemes were made after very careful analysis of the business cases and a realistic appraisal of the likely envelope of funding not only in this spending review period but in the next one and the one beyond. It would be very easy to stand here and say that nothing is cancelled, but I do not want to encourage further spending on schemes that have no realistic prospect of going forward within the next 10 years, as that money could be spent on live schemes and getting work done rather than on people sitting in Highways Agency offices designing and redesigning schemes that will never happen. We have had to take some tough decisions, but I am quite confident that we have taken the right ones.

Simon Danczuk (Rochdale) (Lab): Rochdale interchange, which is more commonly known, in Rochdale at least, as Rochdale bus station, is still in the amber list of schemes. The Secretary of State will be aware that it has cross-party support across Rochdale, but is he aware of its importance to the redevelopment of Rochdale town centre?

Mr Hammond: I am aware of the importance that the local authority and local people attach to the scheme. I am sure that in defining it as Rochdale interchange they were seeking to talk up its importance. Might I suggest that they call it Rochdale international interchange to raise its game a little further?

Sir Alan Beith (Berwick-upon-Tweed) (LD): As the Secretary of State has already recognised that the A1 is a road of national strategic importance and as the design work to dual two of its worst sections has already been done, can that scheme be brought forward in one of the future spending rounds?

Mr Hammond: I am afraid that that scheme is some way off at the moment. At a point in the future that we will define in due course we will reopen the programme entry system so that new proposals can be made by local authorities or by the Highways Agency for future consideration, but I repeat that I do not want to have hundreds of schemes with thousands of civil servants working on them and no realistic prospect of getting on site.

Bridget Phillipson (Houghton and Sunderland South) (Lab): The Sunderland strategic transport corridor, which includes the new bridge over the River Wear, will be crucial in bringing jobs to Sunderland and securing the economic regeneration of the region. What reassurance can the Secretary of State offer to the people of Sunderland that those important factors will be considered given that he accepts that the scheme offers value for money?

Mr Hammond: I can give the hon. Lady the assurance that the factors she mentions are indeed taken into account in the model. As I hope I made clear this afternoon, the whole aim of the Government in focusing on supporting infrastructure investment, and particularly transport investment, at a time when public expenditure is under extreme pressure, is to use transport infrastructure investment as a way of stimulating economic development and of coaxing it into areas that most need it. I recognise Sunderland's claim, but as the hon. Lady will understand, this project is one of many in the development pool, so applicants will have to sharpen their pencil, think through their scheme and put their best proposal forward; then we will make a decision.

Mr Mark Spencer (Sherwood) (Con): I congratulate the Secretary of State on his successful negotiations with the Treasury, and I welcome the fact that both Mansfield bus station and the Hucknall town centre improvement scheme are in the development pool. What criteria will the Secretary of State and his

[Mr Mark Spencer]

Department use to distinguish those schemes in the development pool that will move forward from those that will not?

Mr Hammond: The Department uses a set of criteria wider than simply measuring the benefit-cost ratios—monetisable benefits currently add up to exactly 50% of the weight in the multi-criteria analysis that we perform. We also look at wider network benefits, regional balance, the impact on economic development over a wide area, and landscape impacts and wider environmental benefits and disbenefits, so it is quite a wide-ranging scheme. Details are available on the Department for Transport website.

Derek Twigg (Halton) (Lab): My question is on the funding of the Mersey Gateway between Runcorn and Widnes. It would be useful if the Secretary of State said whether he has determined the planning application, because the project depends on that as well, but my specific question is about the fact that he said in the statement that funding would be agreed in January. Does that mean that Halton borough council will be given funding to start work before 2015, and what savings is he looking for? A crucial element of this is tolls, which clearly must be at an acceptable level. We must remember that the current bridge is untolled and is a local road, so there is no scope for further income from tolls. There must be support from the Government through the funding arrangements.

Mr Hammond: I welcome the hon. Gentleman's comments. I have followed the scheme with particularly close interest, because it is a very innovative proposal by a local authority. It is a very big scheme for a local authority to propose, and it proposes to toll an existing road—never an easy thing to do in terms of local public opinion, so I commend it for being prepared to take difficult decisions. But with all the schemes that we have said today we will support, it is only appropriate that we sit down with local authorities, go through the numbers, go through the specifications and see whether there is any more cost to be driven out. Some schemes are sitting in the Department's books with an estimate of costs that was made in 2007. A lot has changed in the contracting market since then, and we want to ensure that right the way down the supply chain everyone is feeling the pressure that we are feeling as public spending is constrained—that we get the very best value for every pound of taxpayers' money. We will work with the local authority to ensure that that is the case.

Jackie Doyle-Price (Thurrock) (Con): The decision to postpone the work on junction 30 will be met with much dismay by my constituents in Thurrock, whose road network is very regularly clogged up by congestion caused by junction 30. It is also a major cause of disruption for users of the Dartford crossing. In view of that, does my right hon. Friend really think it fair to be considering increasing charges for the Dartford crossing?

Mr Hammond: Yes. My right hon. Friend is referring to junction 30 of the M25, a scheme that we cannot envisage being able to finance during the current spending review period but on which we will continue to do work with a view to development in future spending review periods. She will be aware of the interface with the proposals for the port development being progressed by Dubai Ports World, whereby funding contributions may be available to support some of the junction 30 improvement at some point in the future, depending on the progress of the port development. So the position with that project is slightly more complex.

Mrs Jenny Chapman (Darlington) (Lab): I am pleased to hear Government Members, particularly the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) and the hon. Member for Thirsk and Malton (Miss McIntosh), arguing in favour of the upgrading of the A1 north of Leeming. It is a crucial link for economic development in the north-east, and my constituents can conclude only that the Government looked at the link and decided that the north-east just is not worth it.

Mr Hammond: The announcements made both today and last week by my right hon. Friend the Chancellor have contained significant investments in the north-east, but I have to tell the hon. Lady that we consider all these schemes objectively. From memory, I think that the A1 Leeming to Barton scheme had a benefit-cost ratio of less than two, and it is not a scheme that we can envisage being able to fund in the current circumstances during this spending review.

Nick de Bois (Enfield North) (Con): My constituents will warmly welcome the planned improvements to the M25 between junctions 23 and 27, which will play a significant part in our regeneration plans along the eastern corridor. Will my right hon. Friend also consider taking representations both from the local authority and me, as we are keen, with an eye to the future, to see the northern gateway access road, which will additionally provide greater infrastructure for our growing needs?

Mr Hammond: I hope that my office told my hon. Friend that I visited the M25, including junctions 23 to 27, this morning, and jolly wet, windy and congested it was, so I am sure that the scheme will be most welcome. I am not aware that we have received a funding bid for the northern gateway scheme. As I said earlier, speculative schemes that are not already in the system will now have to wait until we announce a further round of bidding, and then there will be an opportunity to bid for further schemes in future spending review periods.

Mr Stephen Hepburn (Jarrow) (Lab): I am sure that the Secretary of State will understand my disappointment that the junction schemes on both sides of the Tyne tunnel have been shelved for the time being. Those junctions are important. The Tyne tunnel is in the process of being dualled, which will encourage substantially more traffic in the area, and the junctions are needed to keep the traffic flowing. Will he meet me and my hon. Friend the Member for North Tyneside (Mrs Glindon), whose constituency is also affected by the increase in traffic, so that we can discuss these issues?

Mr Hammond: I am happy to receive a representation from the hon. Gentleman. Of course, the promoting local authority must be the primary conduit for contact with the Department, but if he wants to meet me, I am happy to talk to him.

Stephen Williams (Bristol West) (LD): I welcome the fact that value for money is being confirmed for the Bristol bus rapid transit scheme from Ashton Vale, which is in your constituency, Madam Deputy Speaker, to Bristol Temple Meads, which is in mine. However, following what the Secretary of State said earlier about localism, will he agree to look favourably on local authorities such as Bristol that wish to introduce a levy on workplace parking in the future, so that money raised locally can be matched with the limited resources that are now available nationally?

Mr Hammond: Where local authorities wish to impose workplace parking levies, they need the Secretary of State's approval under current legislation. It is, of course, up to local authorities to promote such schemes if they feel that they are appropriate for their areas, but I have said recently that I would expect any further schemes proposed to me to demonstrate that they have properly and effectively consulted local businesses and addressed any proper concerns raised by local businesses during those consultations. So perhaps my hon. Friend can feed that back to Bristol city council.

Rachel Reeves (Leeds West) (Lab): The Leeds rail growth package included a new railway station at Kirkstall Forge. Half of the money was to come from the private sector and would have facilitated private sector housing and business development, bringing hundreds of jobs and homes to one of the most deprived parts of the city. Why has the scheme, which the right hon. Gentleman says is good value for money, been sent back to the drawing board, with devastating prospects for jobs and homes in my constituency?

Mr Hammond: Dear, dear, it must be my ears again. I did not hear the hon. Lady mention the Leeds station southern access scheme, which has been approved—*[Interruption]* If I may say so to the hon. Lady, when one's constituency is in a city, I think one will find that the effects of transport infrastructure improvement are a little wider than the narrow boundaries of a single constituency. Leeds station southern access scheme has been approved, and two further Leeds schemes, the Leeds rail growth package and the Leeds new generation transport scheme, have been included in the development pool, where we will work with the local authority to look at how we can ensure value for money and get the schemes into the best and most competitive form that they can be, after which we will make a decision on the allocation of the scarce capital that is available. I want to remind the hon. Lady one more time that the transport capital budget has been reduced by 11% for the next four years. The Government formed by her party before the last general election proposed to reduce capital spending by 50%.

Julian Sturdy (York Outer) (Con): I thank the Secretary of State for the improvement that he has made to fairer transport funding for my region, Yorkshire and Humber. May I ask him about the time scales for best and final funding bids for the schemes in the development pool? Will he look closely at the Access York park and ride bid, which will be crucial to the local economy?

Mr Hammond: Access to York park and ride is included in that group of schemes. As I announced earlier, we intend to take decisions on which of those schemes will be funded by the end of 2011. We will work proactively with the local authorities sponsoring those schemes from now, and we will make decisions as we are able to do so, not necessarily in a single announcement at the end of 2011. It may be possible to announce some conclusions earlier than that.

Mr Clive Betts (Sheffield South East) (Lab): To try to take the positives out of the statement, I welcome the go-ahead for Sheffield's PFI highway maintenance scheme and the amber light for the additional vehicles for Supertram. I understand that the passenger transport executive has proposed that the scheme should go hand in hand with the tram-train trial, as there will be cost savings from purchasing the vehicles together. That scheme is not mentioned in the statement. It could utilise under-used rail lines, get vehicles into the heart of the city and act as a pilot for the rest of the country. Will that scheme go ahead as well?

Mr Hammond: I understand that my ministerial colleagues are aware of the scheme to which the hon. Gentleman refers and are actively looking at it, but it is the Supertram additional vehicles scheme that has been included in the development pool. If it is clear that there are synergies from linking this scheme to another scheme, it makes sense to examine that. I want to be pragmatic. If we can save money, I would certainly like to look at the opportunities to do so.

Anne Marie Morris (Newton Abbot) (Con): Although I am delighted to see that so many schemes have been approved for Devon, I know that my constituents and those in Totnes and Torbay will be disappointed that the Kingskerswell bypass is only in the pre-qualification pool, because the value for money is not clear. Will the Minister meet me and representatives of the other two constituencies and Devon county council to go through the criteria that the Treasury and the Department for Transport have set out, so that we can understand why value for money is not clear and make the right representations?

Mr Hammond: My hon. Friend might have slightly misunderstood the pre-qualification pool. It is not that the Kingskerswell bypass does not meet the value for money criteria; it is that the Department does not have an up-to-date appraisal of the scheme. It will therefore now carry out a rapid assessment in which value for money will be one of the primary considerations. There will be opportunities for her local authority to engage with officials in the Department—I am sure they are already engaged. I know that she has had discussions already with my the Under-Secretary, my hon. Friend the Member for Lewes (Norman Baker), and I am sure he would be happy to have further discussions with her.

Alex Cunningham (Stockton North) (Lab): The cuts mean dark days ahead for the north-east, and they will be even darker now, with the decision to axe the Durham and Stockton street lighting PFI scheme, which would have made our streets lighter, brighter and safer. Why is the north-east and my constituency, which has already lost its new hospital and Building Schools for the Future programme, in the Government's sights for yet another major cut?

Mr Hammond: We have confirmed the massive funding for the Nexus metro upgrade. The issue is not about cuts, but about investing where the best value for money can be delivered, and the Tees Valley bus scheme will be accelerated to provide additional and early support to the towns in the Tees valley. The PFI scheme to which the hon. Gentleman refers is simply no longer affordable. These PFI schemes, as he will know, are very expensive and would involve the Department committing for 30 years to a significant revenue stream, which it is just not sensible and prudent in the current environment.

Stuart Andrew (Pudsey) (Con): I thank my right hon. Friend for the statement and, particularly, for his investment in the southern access to Leeds station, which will help to regenerate the southern part of the city. When he assesses the trolley bus system, will he look at the fact that, when it comes to an integrated transport system, Leeds has been led down the garden path for the past 20 years? I ask him to give significant consideration to that, because once people get into Leeds we need to get them around the city.

Secondly, I support some of the comments that the hon. Member for Leeds West (Rachel Reeves) made—perhaps not in the same way as I would have—with regard to the Kirkstall Forge and Apperley Bridge project, which would not only release significant amounts of private investment, but help to relieve significant congestion in some of the busiest parts of the city.

Mr Hammond: Both schemes to which my hon. Friend refers are in the development pool, and I urge him to urge his local authority to engage very seriously with that process, to sharpen the pencil, to think innovatively and to come back with a funding bid that puts those schemes in the vanguard and ensures that they are funded when we appraise the bids

Bill Esterson (Sefton Central) (Lab): I welcome the news that the Thornton to Switch Island relief road will be funded, but will the Minister clarify what he means by revised funding bids from local authorities? Sefton council has already put almost £6 million towards the project and is "maxed" up to the limit, so to speak, so it is difficult to see how it could find further funds. However, in response to an earlier question the Minister said that money might be released from savings elsewhere. Could that money be used to reduce Sefton's overall bill? Does he see it going up or down?

Mr Hammond: I can safely say that any local authority that comes back with a revised bid offering less local contribution is unlikely to be looked upon favourably. The Thornton to Switch Island link is a very high value scheme, delivering staggeringly high benefits for every unit of cost, but even so it is right that we sit down with the local authority and look at the cost estimates. As I said a few moments ago, some were done at a time when the contracting market for construction works was much firmer than it is now, and we must ensure that every opportunity to drive out cost and drive up value for the taxpayer has been taken. That is what the process will be. It will not take very long, because we expect to be able to undertake the work over the next couple of months and to confirm funding in January.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. We have taken 30 Members' contributions so far, and the statement is running rather longer than it should. I really would try to persuade Members to ask very short questions, because then we will get everybody in. I shall not call anybody who came in after the statement was given.

Mr Marcus Jones (Nuneaton) (Con): I welcome the statement and the Government's commitment to invest in our transport infrastructure. In doing so, I should like to be a little parochial, however, and mention the Coventry-Nuneaton rail upgrade, which will be extremely important in opening up further job opportunities for my constituents in Nuneaton, many of whom depend on Coventry for their employment. Is the Secretary of State willing to meet me to discuss that vital project, along with officials from Warwickshire county council?

Mr Hammond: That is the third representation that we have had on the Coventry-Nuneaton rail upgrade this afternoon. I would be very happy to meet my hon. Friend, and may I tempt him to include Opposition Members who have an interest in this? He and they are welcome to come along and talk about it.

Gavin Shuker (Luton South) (Lab/Co-op): Does the Minister understand the concern that he will cause in Luton and the surrounding areas by his shelving of the A5-M1 link road to the north of Luton, which is vital not only for improving transport but for solving our housing problems? Those housing problems will be even more acute in the coming years because of the coalition's policies, which will force London residents out to places such as Luton.

Mr Hammond: The A5-M1 link road has not been shelved: it is a scheme on which we will do further development work. From memory, the issue involves the possibility of a significant developer contribution and the building of the road will open up significant amounts of developable land. We will need to do some further work to ensure that we extract the maximum possible developer contribution and that the public purse is not left to pick up a cost that should properly be borne by the private sector.

Mr Mike Hancock (Portsmouth South) (LD): May I declare an interest as a member of Portsmouth city council? I thank the Secretary of State for his statement and commend to him the scheme for the Tipner interchange, which is in the pre-qualification pool. This scheme already has planning permission and is up and ready to go. It would generate thousands of jobs and create up to 2,500 homes. May I ask for the rapid transportation of that scheme from the qualification pool to the development pool in January, so that we can have a decision in the middle of next year?

Mr Hammond: If the fundamentals of the scheme justify its promotion to the development pool, it will be so promoted.

Mrs Mary Glindon (North Tyneside) (Lab): I thank the Minister for agreeing to meet my hon. Friend the Member for Jarrow (Mr Hepburn) and me, and I welcome

the upgrade of the Tyne and Wear metro, but people need jobs to travel to. The A19 corridor is crucial to the north-east's economic development. Given the importance of the tunnel opening in 2011 and the two junctions on either side being improved, will the Minister increase the size of the meeting to include some business people and councillors who will also be able to make that case ably?

Mr Hammond: I am always happy to hear from the business lobby and the most convincing arguments often come from members of the business community. The hon. Lady makes the case that investment in transport infrastructure is good for economic development, job creation and inward investment. We know all that; the problem is that we have to prioritise the capital funding that we have available. The only fair way to do that is to look at the value for money that different schemes return for taxpayers' funding and ensure that we prioritise them accordingly.

Robert Halfon (Harlow) (Con): Harlow commuters will welcome the expansion of the M25 up to the M11, but the Minister will be aware of my Westminster Hall debate earlier this year in which I called for an extra M11 junction, which our town desperately needs. It would cost up to £25 million, and Essex county council is undertaking a £500,000 study of that project. What hope can he give my hard-pressed commuters that that scheme will be considered in the future?

Mr Hammond: I commend my hon. Friend for his tenacity. I know that he campaigned on this issue for many years before he arrived in this place, and he will no doubt continue to campaign on it for many years to come. The scheme is not currently on the list that I have published today and, as I have said to other hon. Members, it will be some time before we open the list to additional bids for future spending review periods. I do not want to encourage local authorities to spend significant sums of taxpayers' money on schemes that I know we will not be able to fund in the foreseeable future.

Phil Wilson (Sedgefield) (Lab): On "Question Time" last week, the Secretary of State raised expectations in the north-east on the Intercity Express programme and the potential for the building of a factory by Hitachi in Newton Aycliffe in my constituency. How long will we have to wait for a decision on that? It has raised expectations in the area, but will we get a response before Christmas?

Mr Hammond: I hope so. I said at the beginning of my statement, but perhaps I was being obtuse, that other major rail projects are under consideration, and I hope to be able to make an announcement to the House in the next few weeks. The Intercity Express programme is one of those under consideration. As the hon. Gentleman will know, it is an extremely complex package of projects, and the new bid that we have received from Agility Trains requires careful analysis at a technical, financial and legal level. That work is ongoing, and once we have completed it, I will be in a position to make an announcement.

Dr Sarah Wollaston (Totnes) (Con): The Kingskerswell bypass in my constituency has been tantalisingly close to approval for half a century, which must be a record. I am grateful to the Secretary of State for agreeing to meet a delegation from Devon and Torbay councils, because the scheme is vital to regeneration for three constituencies. What further evidence should they bring to that meeting to press their case?

Mr Hammond: As I hope I have made clear, the process for the appraisal of projects is pretty rigorous, and will be based on the cost-benefit analysis and the external non-monetiseable effects of the scheme. If my hon. Friend looks on the Department for Transport's website, she will find chapter and verse on how we do it. Of course I will always be happy to talk to hon. Members about their schemes, but I can assure her that the process for appraising schemes in the pre-qualification pool will be done rapidly and objectively, and the best schemes will move up into the development pool for consideration for funding next year.

Chris Leslie (Nottingham East) (Lab/Co-op): Will the Secretary of State now publish the assessment to which he alluded earlier of the A453 in Nottinghamshire, which he suggested was on a lower value-for-money assessment? That is certainly not the feeling of Members on both sides of the Chamber. Although it might have the hallmarks of a country lane, it is a massive priority for businesses in the east midlands, and he is leaving them with the impression that he has no plans for jobs or growth.

Mr Hammond: I do not think that is the impression that businesses in Nottinghamshire will have been left with. I know the A453 very well, and I am well aware of the problems that occur in the area. The Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), who has responsibility for roads, has already made a commitment to the House that we will in due course publish the business cases for both successful and unsuccessful schemes, so that Members can understand exactly how we have arrived at our conclusions.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. I will take the last five Members, because they have been waiting very patiently, but I ask them and the Secretary of State in reply please to be very brief.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I want quickly to congratulate the Secretary of State on how much he has achieved for transport in these straitened economic times. In particular, I welcome his commitment to the Heysham port to M6 link road, which I assure him has the full support of Lancashire county council and Lancaster district chamber of commerce. Will he assure me that his Department will be as proactive as possible to ensure that we see a completion date for this scheme, which has been on the table for the past 30 years?

Mr Hammond: Yes.

Madam Deputy Speaker: Thank you, Secretary of State. I call David Rutley.

David Rutley (Macclesfield) (Con): What view has my right hon. Friend's Department formed of the long-term prospects of the south-east Manchester multi-modal strategy, the A6 to Manchester airport relief road? Will he set out what steps he will be taking to review the relative merits of that scheme?

Mr Hammond: My ministerial colleagues are telling me—there are a lot of schemes to file in our minds—that this was going to be a private finance initiative scheme. However, PFI funding will no longer be available in the way it was, so if the scheme is to go forward, it will need to be resubmitted for conventional funding.

David Mowat (Warrington South) (Con): Like Members on both sides of the House, I am delighted that the Secretary of State has found the money for the Mersey Gateway. However, the fact that it will be tolled—it has not been historically—will divert large amounts of traffic through inter alia my constituency. The level of traffic that will be diverted is sensitive to the toll set. Will he assure us that his Department will do what it can to ensure that the toll is not used to raise additional money over and above that needed to construct the bridge, and is not increased as part—

Madam Deputy Speaker: Order. Thank you very much. Will the Member please resume his seat? I think the Secretary of State got the gist of his question. It was not brief though.

Mr Hammond: I understand my hon. Friend's concerns. This issue must of course primarily be a matter for the promoter of the scheme, which is Halton borough council. However, I am not sure that the local authority is totally unconstrained in setting a charge for the bridge, which will have to be related to the costs of delivering the scheme, so I will check that and write to my hon. Friend.

Martin Vickers (Cleethorpes) (Con): It is disappointing that the two schemes affecting the port of Immingham will not proceed in the immediate future. Can the Secretary of State give me an assurance that if the south Humber gateway project, which was granted planning permission only two weeks ago, proceeds more quickly than anticipated, he will seriously consider bringing forward the A160 upgrade?

Mr Hammond: At least one of the schemes to which my hon. Friend refers is in the development pool. We will continue, as I hope he will, to work with his local authority to sharpen the bid and ensure that the scheme is viable for funding when we look at such matters in 2011.

George Eustice (Camborne and Redruth) (Con): One of the projects that is currently in the pre-qualification pool is the Camborne and Redruth transport package, which would unlock the potential for regeneration and create 6,000 new jobs. Can the Secretary of State give an assurance that those projects that have today been announced as being in the pre-qualification pool will not be disadvantaged by joining the development pool at a later date, should that happen?

Mr Hammond: Yes I can give my hon. Friend that assurance. The intention is to carry out the pre-qualification assessment over the next three months, with a view to some schemes moving from the pre-qualification pool to the development pool in January 2011. That will give them plenty of time to make their case for funding before the end of 2011, when the decisions are taken.

Madam Deputy Speaker: Thank you. That was 43 Members contributing, but it would have been easier if they had all been brief.

Points of Order

5.11 pm

Clive Efford (Eltham) (Lab): On a point of order, Madam Deputy Speaker. I do not expect an answer to this point of order today, but I wonder whether you can seek clarification through Mr Speaker regarding the release of Government statements to the Liberal Democrats prior to their being made in the House. Members on the Liberal Democrat Benches have no higher status than Back Benchers on the Opposition Benches. The last time I looked, the hon. Member for Lewes (Norman Baker) was the transport spokesman for the Liberal Democrats, and he is now sitting on the Government Benches as the Under-Secretary of State for Transport. I would like to know whether what has happened is common practice. Has it happened before, exactly what can we expect in the future, and will Mr Speaker look into it?

Madam Deputy Speaker (Dawn Primarolo): That is not really a point of order for me in the Chair. However, the hon. Gentleman has got his point on the record, and I understand that the Secretary of State wants to be helpful to him.

The Secretary of State for Transport (Mr Philip Hammond): I, too, heard a reference to a copy of my statement having been received by one of my hon. Friends. I suspect that they were referring to the list, which was placed in the Vote Office a few moments before. As far as I am aware, no copies of the statement were distributed before I rose to speak.

Madam Deputy Speaker: Well, this is a matter that Mr Speaker can look at, and he can read the comments that have been made on the record. I do not know the answer at the present time, but I am grateful to the hon. Member for Eltham (Clive Efford) for bringing the matter to my attention.

I call Bob Ainsworth.

Mr Bob Ainsworth (Coventry North East) (Lab): Further to that point of order, Madam Deputy Speaker. I would ask that the Speaker look into this—

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Did you call me or my right hon. Friend, Madam Deputy Speaker?

Madam Deputy Speaker: I called Bob Ainsworth.

Mr Ainsworth: I would ask that the Speaker look into this matter. It became pretty apparent that Back Benchers were not being treated equally. There are, it seems, pretend, shadow Liberal Democrat Ministers in the House, but they should surely not be given privileges over other Back Benchers. I would have thought that it was a matter for the Speaker to see whether Members were being treated with some kind of fairness and equality.

Madam Deputy Speaker: I have given my answer in response to that point of order. The Secretary of State has been helpful by pointing out that, as far as he is concerned, what the right hon. Gentleman has described should not have happened, and there are no special arrangements. Mr Speaker will be able to look at the points that have been raised and decide whether this is a matter that he needs to address. I think that that is all that we can deal with at this point.

Sir Gerald Kaufman: On a point of order, Madam Deputy Speaker. I want to raise a matter that relates to the rights of hon. Members of this House. Thursday next week will be the 15th anniversary of the assassination of Yitzhak Rabin, the Prime Minister of Israel. I sought to table an early-day motion commemorating the event, and took it to the Table Office. Its heading was "Yitzhak Rabin, Assassinated Peacemaker". That he was assassinated is incontrovertible, as his murderer is serving a prison sentence for killing him. That he was a peacemaker is incontrovertible as he was awarded the Nobel peace prize the year before he was assassinated. Yet the Table Office sought to get me to remove the words "Assassinated Peacemaker" from the title and, when I demurred, said that it would need to be discussed. I heard nothing further from the Table Office and, that being so, assumed that the early-day motion would be on the Order Paper today. It was not. When I inquired about it, I was told that nothing whatever had been done about it. I have studied "Erskine May", and there is nothing whatever in it that gives the Table Office the power to amend or change the title of an early-day motion in that way. The rights of hon. Members are at stake, because if we cannot say what is true and incontrovertible in an early-day motion without it being liable to being amended, then where are we, Madam Deputy Speaker? I seek to be allowed to table my early-day motion, with its title, in the way that I drafted it.

Madam Deputy Speaker: I am grateful that the right hon. Gentleman has raised this point of order with me. I am not able to respond immediately, but I hope that he will agree that I can look into the matter—it might be a matter that Mr Speaker will want to consider directly—and that we come back to him as quickly as possible.

Sir Gerald Kaufman: Further to that point of order, Madam Deputy Speaker. I thank you for that, but when you say "as quickly as possible", how quickly is that? The Table Office did not come back to me at all. The anniversary is next week, and the motion has already been delayed. It is not a matter of amour propre on my part that the House of Commons can commemorate the assassination of a great man.

Madam Deputy Speaker: I have given the right hon. Gentleman my word that I will look into the matter. I am currently on duty in the Chair, and will remain here for a little longer. As soon as I leave the Chair, I will start inquiring into the points that he has made and get back to him as quickly as I possibly can. Perhaps we can now move on, as we have a ten-minute rule Bill.

Parliament (Amendment)

Motion for leave to bring in a Bill (Standing Order No. 23)

5.17 pm

Mr Christopher Chope (Christchurch) (Con): I beg to move,

That leave be given to bring in a Bill to make further provision to limit the size of the legislature by ensuring that the number of peers entitled to vote in the House of Lords does not exceed the number of parliamentary constituencies; to introduce a statutory limit on the number of Ministers, Whips and Parliamentary Private Secretaries in each House of Parliament; and to set a maximum proportion of Ministers, Whips and Parliamentary Private Secretaries in the total membership of each House of Parliament.

The Bill follows on from our debate in the House yesterday evening on the new clause that was so ably proposed by my hon. Friend the Member for Broxbourne (Mr Walker) during our deliberations on the Parliamentary Voting System and Constituencies Bill. I do not know whether you were able to follow it, Madam Deputy Speaker, but it was a vintage debate, in which my hon. Friend was supported by the Father of the House, my hon. Friend the Member for Louth and Horncastle (Sir Peter Tapsell), as well as my hon. Friends the Members for Richmond Park (Zac Goldsmith) and for Harwich and North Essex (Mr Jenkin) and many others.

My hon. Friend the Member for Broxbourne made the case for constraining the size of the Executive as a proportion of the membership of the House. For example, he said that if the number of MPs was reduced to 600, the maximum number of Ministers should be reduced from the present maximum of 95 to 87. He also said that that was hardly the most radical proposal. He and I both expected a lot more support from our own side in the Lobby, and I am sure that there would have been, had there been a free vote, or indeed anything other than a strong three-line Whip. I know that one of my hon. Friends who supported the new clause was seen being dragged away to the Whips Office to be dealt with. That is part of the background to this Bill.

In what is generally agreed to have been one of the lamest responses from the Front Bench in years, the Parliamentary Secretary, Office of the Leader of the House of Commons, the hon. Member for Somerton and Frome (Mr Heath), was reduced to expressing sympathy to my hon. Friend the Member for Broxbourne, while arguing a case for prematurity. Those of us who have been Members of this House for some time know that when all other arguments have failed, the argument of prematurity is the last desperate throw.

In yesterday's debate, my hon. Friend the Member for Richmond Park quoted what the Prime Minister had said in February this year when he was the Leader of the Opposition:

"We'd want to reduce the power of the executive and increase the power of Parliament even if politics hadn't fallen into disrepute."

My hon. Friend argued that the Government should do what the present Prime Minister promised to do in advance of the general election. He also quoted the Deputy Prime Minister and other leading figures in the Government.

Why, then, is it premature to reduce the power of the Executive? The only reason it is premature is that the Executive say that it is premature. I think that reducing the power of the Executive is long overdue and that the arguments that applied before the general election apply even more strongly now. When presented with their own self-proclaimed path of virtue, however, the coalition Government have not merely said "Not yet", but made things worse by increasing the size of the Executive.

When I was first elected in 1983, 81 Members of Parliament were Ministers, of whom 13 were Whips. Today, 95 MPs are Ministers, of whom 17 are Whips. Even under the last Labour Government, only 90 MPs were Ministers, of whom 15 were Whips. What has happened in this Parliament is that the new Government have increased the number of Ministers and the number of Whips.

Chris Ruane (Vale of Clwyd) (Lab): Will the hon. Gentleman give way?

Mr Chope: As I understand it, I am not able to give way during a ten-minute rule Bill. I am supposed to have 10 minutes, but I keep looking at the clock wondering how many minutes have expired—*[Interruption.]* Five minutes—

Madam Deputy Speaker: Order. The hon. Gentleman's 10 minutes will be up at 5.27 pm.

Mr Chope: I am grateful, Madam Deputy Speaker. I am sure that a number of Members will not be able to reach that moment soon enough. [Hon. Members: "Hear, hear."]

Let us be clear: Ministers come with a high price tag. Lord Turnbull told the Public Administration Select Committee earlier this year that the average cost of a Minister was £500,000 a year. That is not his salary, but the costs of the private secretary, the office and all the rest that goes with it. Despite being committed to making savage cuts in public expenditure, however, the Government are in denial of the increased costs that the Government have incurred by increasing the number of Ministers.

On 18 October, I asked the Minister for the Cabinet Office if he would

"estimate the annual cost to the public purse of the change in the number of Ministers and Whips drawn from the House of Commons since the dissolution of the previous Parliament."—[*Official Report*, 18 October 2010; Vol. 516, c. 516W.]

I expected an answer along the lines of, "We reckon there are five extra Ministers, as a result of which, with each costing about £500,000, it works out at about £2.5 million". In fact—this is on the record—my right hon. Friend did not answer the question at all. He avoided it completely and talked about how Ministers had taken a pay cut. That was not the question I put to him. I use that as evidence that even at the centre of this Government—in the Cabinet Office itself—they do not want to face up to the consequences of their own actions.

Another part of my Bill deals with the number of peers in the House of Lords: currently, there are 777. Since the general election, 56 new appointments have been made, and another 50 are proposed to be recruited imminently, with further additions proposed to comply with the coalition's commitment to have the same proportion of Conservative and Liberal Democrat peers in the House of Lords as the proportion who voted for those parties in the general election. According to the

maths that I have done on the back of an envelope, to get a proportion of 59% of the 777, an extra 186 peers would have to be appointed, bringing the total to 963. If there was no reduction in the number of Labour Members, to produce 59% of the higher figure of 963 we would have to produce the best part of another 100 peers. In the short term, therefore, it seems to be coalition Government policy to increase the number of Members of the House of Lords by no fewer than 250, which is absolute lunacy. Meanwhile, contrary to all the representations made by various Committees of the House, the number of Parliamentary Private Secretaries is 32 and rising. Over the years, many people have suggested that there should be no more than one PPS per Department, but the Government have ignored all that.

The Bill is a framework Bill. Similar Bills have been put before the House previously, and I go forward confident in the knowledge that my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), the hon. Member for Taunton Deane (Mr Browne) and Mr Speaker himself have argued a similar case to that which I advance today. I have 12 supporters for the Bill, and following last night's debate I could have accommodated more, but the rules of the House prevent me from having more than 12. I am grateful to all my hon. Friends who have offered to support my Bill but who cannot be included in the 12 —the Bill will have many more supporters in due course.

Question put and agreed to.

Ordered,

That Mr Christopher Chope, Mr Graham Brady, Mr Richard Shepherd, Mrs Eleanor Laing, Mr Mark Field, Mr Andrew Turner, Mr Robert Syms, Martin Vickers, Mr Philip Hollobone, Graham Stringer, Tristram Hunt and Mr Charles Walker present the Bill.

Mr Christopher Chope accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 4 March and to be printed (Bill 97).

Savings Accounts and Health in Pregnancy Grant Bill

Second Reading

5.28 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I beg to move, That the Bill be now read a Second time.

The Bill does three things: it ends eligibility for child trust funds for children born from January 2011 onwards; it repeals the Saving Gateway Accounts Act 2009, following our decision not to introduce the saving gateway scheme; and it abolishes the health in pregnancy grant, again from January 2011. I will explain the detail of the measures shortly, but first I want to explain the rationale behind them, because they all have the same aim of helping to reduce Britain's budget deficit.

As my right hon. Friend the Chancellor of the Exchequer set out clearly last week, the Government have inherited an exceptional fiscal challenge. Last year, we had the largest peacetime deficit in our history, and we were borrowing £1 in every £4 that we spent. We are now spending £120 million a day just to pay interest on our debt. As the Governor of the Bank of England said last month, that position is "clearly unsustainable". Taking urgent action to tackle the budget deficit is clearly unavoidable.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): Can the Minister tell me why this coalition Government are so determined to pick on children?

Mr Hoban: In September 2009 Carl Emmerson, acting director of the Institute for Fiscal Studies, said:

"Abolishing the Child Trust Fund would make newborns worse off in eighteen years time. But spending cuts in other areas might leave them worse off."

That is the challenge that the coalition Government face. This is the question that the hon. Lady should be asking: why did her right hon. and hon. Friends leave the country in such a mess that the present Government are required to take these measures?

Without healthy public finances, we cannot have sustainable growth in our economy. The consequence of failing to act now would be higher interest rates, business failures, rising unemployment and even, potentially, the end of the recovery. So we set out a clear plan, in the Budget statement in June and in the comprehensive spending review statement last week, to tackle the deficit. Last Wednesday the Chancellor set out more than £80 billion of spending reductions to help to deliver the Government's fiscal consolidation plan, which will reduce borrowing by £11 billion per year by 2014-15. The International Monetary Fund has said that our plan

"greatly reduces the risk of a costly loss of confidence in fiscal sustainability and will help rebalance the economy."

The Bill is part of that plan.

I realise that the changes made by the Bill will disappoint some Members and others outside the House. Indeed, when we were in opposition, the Conservative party supported the introduction of the policies that have been removed, although at the time we raised some questions about their effectiveness.

Alison McGovern (Wirral South) (Lab): The Minister has talked about what happened in the past and about the actions of the last Labour Government. Will he tell us whether his party supported the recapitalisation of the banks that protected our financial services system, which led to the deficit?

Mr Hoban: Yes, we did support the recapitalisation of the banks, but I am not sure where the hon. Lady's point is leading. The deficit is a consequence of the huge growth in spending under the last Government, and their failure to ensure that the fiscal position was sustainable.

This year, the child trust fund would have cost more than half a billion pounds, and that money would have been locked in for up to 18 years instead of supporting people now. That is a luxury that we simply cannot afford, given the fiscal challenge that we face. We also could not afford to introduce a new scheme like the saving gateway, which would have cost £300 million over the next five years, just as we started to tackle that challenge. Nor can we afford to continue to spend £150 million every year on giving cash payments to all pregnant women, whatever they spend the money on and whatever their incomes.

Mr Andrew Love (Edmonton) (Lab/Co-op): Would not the Minister's position have more credibility if he proposed ways in which he could encourage families to save? Such proposals were included in the Bills that he is about to abolish.

Mr Hoban: If the hon. Gentleman cares to stick around for a few minutes, he will learn something about what we are going to do for families in that regard. I believe that this Government will do more than the last Government in terms of long-term benefit to encourage families to save.

Taken together, the changes that we are making to child trust funds, the decision not to introduce the saving gateway, and the abolition of the health in pregnancy grant will save us £370 million in the current financial year, about £700 million next year, and about £800 million in each year from then on.

Mr Love: According to an excellent research brief provided by the House of Commons, the Government will save £450 million in future years in relation to the saving gateway. However, the Minister has just admitted that it has not been introduced. How is it possible to save £450 million on a scheme that has not been introduced?

Mr Hoban: Spending on that scheme was included in the spending score card by the last Government. We are not spending the money; therefore we are saving it.

If we had not found the savings where we have found them, we would have had to find them through other spending cuts, through tax rises or through higher borrowing, and that would have kept the deficit higher for longer. Those who oppose the Bill must tell us what they would cut instead.

Having explained the context of the Bill, I shall now describe its measures in more detail starting with the most straightforward element, which is clause 2. It repeals the Saving Gateway Accounts Act 2009. As Members may be aware, the saving gateway would have been a cash saving scheme for people on lower incomes based on matching—there would have been a Government contribution for each pound saved. The scheme was due to be introduced in July 2010; that is when the previous Government booked the spending from. I believe that people in Britain, including those on lower incomes, need to save more, and there was evidence from the saving gateway pilots that matching was a popular and easily understood incentive to save, but when we looked at the proposal ahead of the Budget, it was clear that this would have been exactly the wrong time to introduce a new scheme that would have cost us up to £115 million a year.

Mr Jamie Reed (Copeland) (Lab): I was grateful for the support the hon. Gentleman's party gave when in opposition to the then Labour Government's efforts to reduce child poverty. What assessment has his Department made of the effect of the withdrawal of these grants and schemes on child poverty in this country, not just in general but by region and constituency?

Mr Hoban: There was clearly a choice. We could have continued with these schemes and cut spending elsewhere, but we decided that it was better to take action now to tackle the deficit than to put that decision off, as the hon. Gentleman's party would do, and therefore have to make deeper cuts in the future. I think the steps we are taking are the right course of action to tackle the deficit.

Although the previous Government had agreed with RBS and Lloyds Banking Group that they would introduce saving gateway schemes, none of the other big high street banks were planning to do so, and although the Post Office was going to offer the accounts, that was only because the previous Government had agreed to pay it to enable it to do so. Also, while a number of credit unions were signed up, not a single building society signed up to provide the saving gateway account. Therefore, although I appreciate the engagement of those who had planned to offer saving gateway accounts, I was concerned that not everyone in the eligible population would have had an accessible provider. For these reasons, we announced at the Budget that the saving gateway would not be introduced. We therefore stopped the Saving Gateway Accounts Act from coming into force, and this Bill repeals it altogether. Although we may want to come back to this idea at some point in the future, we have no plans to do so at present so it would be wrong to leave this legislation on the statute book.

Kate Green (Stretford and Urmston) (Lab): The Minister alluded to the fact that credit unions were particularly interested in supporting this initiative, and he will be aware that credit unions are particularly likely to be located in communities with high concentrations of disadvantage and poverty. Therefore, although he says the scheme's reach was not complete, does he accept that in fact it was potentially rather well targeted?

Mr Hoban: That assumes that there is a credit union in every deprived community, but in some such communities a credit union may not be accessible, and the Post Office would have stepped in only if a Government subsidy were provided, so I do not believe there was going to be a complete network of saving gateway account providers to ensure that every eligible person in this country would have been able to access an account.

Clause 3 addresses the health in pregnancy grant. It is a one-off cash payment of £190 to pregnant women. The previous Government said it was being introduced in recognition of the importance of a healthy diet during pregnancy. However, the National Childbirth Trust said that

"the evidence indicates that, if dietary intervention is to have an impact on birth weight and outcomes for the baby in later life, it should be started as early as possible."

Given that the grant is not paid until the third trimester, it is not clear how effective it is, and although—

Several hon. Members *rose—*

Mr Hoban: Let me make some progress. Although the previous Government said the grant was intended to support the general health and well-being of women in the later stages of pregnancy, there is no requirement to use the grant for better health and well-being. Women can spend the money on whatever they want, and the grant also goes to pregnant women regardless of their income and their need for it.

Diana R. Johnson (Kingston upon Hull North) (Lab): It seems to me that that money was also for meeting the additional costs of having a baby. It was very much linked with women receiving advice from health practitioners too; there was a link between our making sure that women were getting the very best advice and their being able to access the money.

Mr Hoban: Well, other schemes are available to help women ensure that their diet is healthy. May I tell the hon. Lady what others have said about this one? Zoe Williams, writing in *The Guardian* in April 2009, said that this is

"a universal grant to mothers who may or may not need it, and may or may not spend it on vegetables that may or may not positively influence the health of their unborn children."

[Interruption.] I am simply quoting from *The Guardian*—I did not realise just how much outrage that would cause in the House. Paul Waugh, writing in the *London Evening Standard* in June 2010, said:

"The Health in Pregnancy Grant is frequently not even spent on healthy food."

[Interruption.]

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Look, I understand that this is an important matter and it concerns everyone in the Chamber, but it is no good everyone trying to chunter at once. The Minister has been very generous in giving way so far and I am sure he will be generous in the future. One at a time please, rather than chuntering from across the Benches.

Mr Hoban: Mr Waugh continues:

"It is spent on absolutely anything the mother wants. A lot of middle class mums simply bung it towards a fancy new Bugaboo pram."

Yasmin Qureshi (Bolton South East) (Lab): Does the Minister know how much folic acid costs?

Mr Hoban: Clearly, if this grant was targeted at enabling women to buy folic acid, the argument would be different, but no strings are attached to this grant; money can be used in any way that people want.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): The Minister says that this grant has not always been spent on what it was intended for and instead has been spent on things such as buggies—they are equally important. Would it not have been advisable then to have targeted it, by using, for example, income-related benefits, so that it went to people who really needed it and was spent on what it was intended for?

Mr Hoban: Of course the hon. Lady should really address that to her colleagues who were Treasury Ministers when the grant was introduced, as they could have chosen to target it more closely. Other grants that are available are targeted at women in the early stages of pregnancy and the Sure Start maternity grant is in place.

Mr Mark Field (Cities of London and Westminster) (Con): I accept the honourable way in which a number of Labour Members have stood up and are concerned, but does this not show that once we give any benefits they are taken for granted by whoever ends up receiving them? Does the Minister recognise, and will he confirm, that the Bill deals with only a small number of the grants that could be looked at by the Treasury? We have to get this deficit down and his opening comments have made a perfectly valid point. Will he confirm that he might well have examined a considerable number of other grants in this Bill, but it deals with only a small number?

Mr Hoban: My hon. Friend makes an important point. The Government have had to go through this challenging spending process with care, examining both spending and welfare decisions. We have had to take decisions that are not straightforward, not easy and not ones that we would have wanted to take, but we have had to do so because of the financial problem that we inherited from our predecessors.

Let me give another example of targeted support that is available, because the hon. Member for Washington and Sunderland West (Mrs Hodgson) talked about means-tested grants. I am sure that she will be aware of the Healthy Start scheme, which is a statutory scheme providing a nutritional safety net and encouragement for breastfeeding and healthy eating to more than 500,000 pregnant women and to children under the age of four in low-income and disadvantaged families across the UK. The scheme is tied carefully because, unlike the health in pregnancy grant, it provides vouchers for people to put towards the cost of milk, fresh fruit and vegetables, and infant formula milk at 30,000 retail outlets. So measures are in place to support the groups that she is most concerned about, and it is right that that is so. The health in pregnancy grant is unfocused and untargeted.

Liz Kendall (Leicester West) (Lab): The Healthy Start scheme is a good, targeted one, but will the Minister admit that the Government are also restricting the Sure Start maternity grant, abolishing the baby element of the tax credit and not going ahead with the toddler tax credit? Pregnancy and the first year of life is vital for a child's development; if we can give children the best start in life, it saves us all in the long run. So will he reconsider his abolition of these schemes?

Mr Hoban: Perhaps the hon. Lady would tell us what she would cut instead. It is very easy for the Opposition, who did not come forward with a plan to tackle the deficit before the last election. Now, every time a cut is proposed they oppose it. As was very clear from the leaked document in *The Times* today, they recognise themselves that their economic plan has no substance.

Pete Wishart (Perth and North Perthshire) (SNP): There is no doubt whatsoever that the Labour party left the country's finances in an appalling state, but why is the Conservative-led coalition taking it out on children and pregnant women?

Mr Hoban: If the hon. Gentleman looks at some of the analysis that was set out at the time of the Budget and last week's spending review, he will see that we are taking action in both to ensure that child poverty does not deteriorate under this Government. For example, there are increases in child tax credits to families on particularly low incomes to deal with the issue of child poverty.

Paul Maynard (Blackpool North and Cleveleys) (Con): Does the Minister not agree that the clue as to the purpose of the health in pregnancy grant lies in its title? It was supposed to promote health in pregnancy. Does he agree that there is no evidential base to suggest that in the seventh week of pregnancy onwards it was providing that improvement in health?

Mr Hoban: My hon Friend makes an important point. I would say that the challenge is as follows. Other schemes are in place to help families on low incomes to deal with some of the issues around childbirth. I have talked about the vouchers that are available to help with nutrition and we have the Sure Start maternity grant, too, which is designed to help low to middle-income working families and out-of-work families to cover the one-off costs associated with having a new baby. There are measures out there, but, yes, they are restricted. The Sure Start maternity grant will apply to the first child—it is a grant of up to £500—but, of course, the problem is that the previous Government left us with a huge debt that we need to tackle and to pay back. If we put off these decisions, as the hon. Friends of the hon. Member for Leicester West (Liz Kendall) would want us to, it would be the poor who would pay the most. It would be those children who would be saddled with the debt that the previous Government left hanging around their necks.

Mr Mark Field: I have a two-and-a-half-year-old son, so I have had the benefit of some of these universal benefits. I must say that in these straitened economic times it makes sense for things to be targeted in a much more effective way. That is all that we are trying to do, and it is regrettable to see the way in which the Minister is being harangued by Opposition Members. We should be targeting these benefits; they should not be universal. This is entirely the right way forward.

Mr Hoban: My hon. Friend makes an important point. We need to look very carefully at where money is spent and ensure that it is spent wisely in pursuit of improving the life chances of children and young people. That is why, for example, our right hon. Friend the Deputy Prime Minister announced recently that we will extend to all disadvantaged two-year-olds 15 hours of free nursery care. That is a very targeted way of helping children from the most disadvantaged backgrounds to achieve their life chances. We have seen the pupil premium introduced, with £2.5 billion a year to help children from disadvantaged families. The coalition Government have set out plenty of measures that are focused on helping the most vulnerable in society. That is what we need to do in the light of this financial crisis: to target measures on those who need them the most, rather than simply opposing every cut for the sake of it, as the Opposition are trying to do.

Sheila Gilmore (Edinburgh East) (Lab): Does the Minister not agree that the logic of his position is that universal benefits should not exist? In that event, why are women and children being targeted for the loss of these universal benefits? Why not pensioners, who might not use their winter fuel allowance to pay their fuel bill? They might use it for something wholly inappropriate, such as buying a new pair of shoes or a piece of clothing. Why are women and children being targeted in this way?

Mr Hoban: The Labour party is clearly looking for more substance for its economic plan, and perhaps the hon. Lady's idea of tackling the winter fuel payment is something that the shadow Chancellor will embrace. I look forward to hearing whether those on the Opposition Front Bench will decide to adopt her idea or dissociate themselves from it.

Paul Goggins (Wythenshawe and Sale East) (Lab): The Minister is turning to support for the most disadvantaged. If there is one area that should unite all parts of this House, it is the welfare of looked-after children, most of whom arrive in care with nothing and leave care with nothing. If there is any group that needs to build up an asset base, it is children in care, yet the Minister is taking away at a stroke the possibility of building up an asset base by getting rid of the child trust fund. How can he, as a Minister, possibly justify his Government's claim that they are protecting the most vulnerable, when he is robbing children in care?

Mr Hoban: I am turning to child trust funds, and I take on board the right hon. Gentleman's point. As one of the consequences of our decision to scrap the child trust fund, we are using some of the money that we have saved to provide respite care for disabled children. We have thought carefully about the issues, and, frankly, the decisions are not easy to take. Our decision to scrap the child trust fund is important. It will enable us to deliver the pupil premium and the £2.5 billion package, which was recently announced, to support children from disadvantaged backgrounds. The right hon. Gentleman should look at the issue in the round rather than cherry-picking particular policy areas.

Toby Perkins (Chesterfield) (Lab): Will the Minister give way?

Mr Hoban: No; I will continue. I have given way quite a lot, and I want to make some progress. This is an important Bill, which is why I want to ensure that I have given Opposition Members the opportunity to intervene,

but I want to continue setting out the case for why we need to take these measures to tackle the problem that the previous Government left behind.

We announced in May that Government payments to child trust funds would be cut in two stages—they will be reduced first and then stopped altogether. In July, we made regulations to take the first step. For those born from August this year, payments at birth were reduced from £250 to £50, or from £500 to £100 for children in lower-income families or children in care. Government payments at the age of seven also stopped completely from August. The regulations will end the additional payments made to disabled children from 2011-12 onwards, although, as I have said, we will recycle the money that we have saved on those payments to provide additional respite breaks.

Those regulations could not end eligibility for child trust funds altogether, because that process requires primary legislation. This Bill completes the process by ending eligibility for child trust funds for all children born from January 2011 onwards, which means that the remaining Government payments will stop altogether.

Sandra Osborne: Will the Minister give way on that point?

Mr Hoban: No; I want to make some more progress.

I realise that many people, including some hon. Members, will find these changes disappointing. As I have explained, however, the child trust fund is simply unaffordable given the deficit that we face and the need to focus our resources on supporting people now.

Although we need to reduce spending on the child trust fund, we remain committed to encouraging people to save. I want to see a saving system that is based on our principles of freedom, fairness and responsibility, as well as being affordable and effective.

Mr Christopher Chope (Christchurch) (Con): I am with my hon. Friend 100% on the principle that he has just enunciated. Will he clarify the issue of encouraging people to save for their further and higher education? If they do so, they will apparently be penalised under the coalition Government's proposals if they pay their fees upfront having done the right thing and saved for their education. Is that correct? If so, how is it consistent with what he has just said about our commitment to encouraging a savings culture?

Mr Hoban: My hon. Friend has made an interesting point. We want to encourage more young people to save and to give them some assets at the age of 18. I will look into his point and write to him.

As I have said, the saving gateway and the child trust fund are not affordable given the budget deficit that we inherited, so we are taking a different approach to encouraging saving that builds on the latest research on how to influence people's behaviour.

The coalition agreement announced the roll-out of a free, impartial national financial advice service paid for by the financial services industry. The service will be fully rolled out by spring next year, providing information and advice on money matters and helping people to understand their options.

Mrs Hodgson: Will the Minister give way?

Mr Hoban: I will continue.

In the Budget, we announced that an annual financial health check will also be available from next spring as a component of the national financial advice service, offering everyone the chance regularly to review their financial situation and encouraging them to take action including through saving. Both the national financial advice service and the annual financial health check will help people to make the right decisions. We can also do that by making sure that the right products are available, including for families to save for their children.

To make sure that parents have a clear, simple and accessible option to save for their children, we will introduce a new, tax-free children's savings account after the end of child trust fund eligibility. That account will not have any Government contributions, but it will allow families to build up some savings for their children.

Mr Love: Will the Minister give way on that point?

Mr Hoban: If the hon. Gentleman allows me to finish, I may well answer his question.

We are working on the details of the accounts with the industry and other stakeholders, and we will set out more detail in the months ahead. We are clear that, as with child trust funds, those accounts will belong to the child; that they will be locked in until the child reaches adulthood; that they will allow investment in both cash or stocks and shares; that they will be able to receive contributions from family, friends and others up to an annual limit; and that all returns will be free of income tax and capital gains tax.

Mr Love: The Minister has forgotten to mention that both the child trust fund and the saving gateway were specifically targeted at lower-income groups, many of whom—perhaps most of whom—do not pay tax. All the evidence suggests that in order to incentivise people, you have to either provide them with an asset or match their savings pound for pound.

Mr Hoban: As I have set out, the previous Government left us with no choice but to axe those schemes, because we had to save £80 billion in public spending to get spending back on track and keep the deficit under control and interest rates as low as possible for as long as possible. That was the Government's priority.

Toby Perkins: Will the Minister give way?

Mr Hoban: I will not, because I want to continue making progress.

We want to provide people with a clear and simple way of saving for their children, while saving the £500 million a year that we currently spend on child trust funds.

The savings from the child trust fund, the saving gateway and the health in pregnancy grant will allow us to prioritise the limited resources that we have. As the Chancellor set out last week, we have chosen our priorities as we tackle the deficit that we inherited. We are delivering on our commitment that health spending will increase in real terms in each year of this Parliament. We are prioritising long-term growth, creating the conditions for a private sector-led recovery. We are also radically reforming public services to build the big society where everyone plays their part.

Paul Goggins: Will the Minister give way?

Mr Hoban: I am sorry, but I need to make progress.

We are prioritising fairness and social mobility, providing sustained routes out of poverty for the poorest. While encouraging some of the poorest to build up savings can be seen as meeting those goals, in the tight fiscal position that we have inherited, it is better to invest more in education and health, which will have a greater immediate impact than building up assets.

Mrs Hodgson: The Minister has mentioned education. The Government are introducing larger fees, so young people will leave university with up to £40,000 of debt. A small nest egg from the Government in the form of the child trust fund would have incentivised families to save to pay for that debt. Will he explain how those two concepts go hand in hand and where the fairness is?

Mr Hoban: The hon. Lady should have taken the opportunity to ask her colleagues that when they introduced tuition fees and the child trust fund in the previous Parliament. The situation is not new, and I am sure that she has discussed the matter with her colleagues.

Paul Goggins *rose—*

Mr Hoban: As we tackle the deficit, one of our priorities is to transform the prospects of the poorest children.

Paul Goggins: Will the Minister give way?

Mr Hoban: I will not. The Opposition spokesman, the right hon. Member for Delyn (Mr Hanson), wants to speak in the debate and needs to be free from this place at 6.30 pm, so I will continue my speech.

Paul Goggins *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Mr Goggins, you are going to have to sit down. The Minister is not giving way. I know that you are trying to catch his attention, but you cannot stand up for five minutes waving your hands. You have got to get used to being back on the Back Benches.

Mr Hoban: I was not sure whether he was waving or drowning, Mr Deputy Speaker.

As we tackle the deficit, one of our priorities is to transform the prospects of the poorest children, who need it the most, through the schools pupil premium which will be worth £2.5 billion by—

Paul Goggins: On a point of order, Mr Deputy Speaker. Is it in order for the Minister consistently to refuse to take an intervention from someone who has already pursued a specific issue and wishes, in the light of something that the Minister has said since, to take up that issue with him in a constructive manner?

Mr Deputy Speaker: That is not a point of order. I understand your frustration but the Minister, in fairness, has been generous to many colleagues. Unfortunately, you have been very unlucky in not catching his eye, but I am sure that, if he were generous, he just might spot you standing once more.

Mr Hoban: As I was saying—[Hon. Members: "Shame!"] Members on both sides of the House want to speak in the debate, Mr Deputy Speaker. I have been generous in giving way and I want to continue with my remarks.

Through the schools pupil premium, which will be worth £2.5 billion by 2014-15, as well as by extending the provision of 15 hours a week of early-years education and care to all disadvantaged two-year-olds from 2012-13, and by maintaining funding for Sure Start in cash terms, we will provide real opportunities for disadvantaged children to move out of poverty for the long-term. We will also use some of the savings from withdrawing child benefit from families with a higher-rate taxpayer to fund significant above-indexation increases in the child tax credit, thereby ensuring that the spending review will have no measurable impact on child poverty in the next two years.

Some people say that stopping Government payments to child trust funds is not fair to children, but there would be nothing fair about leaving the next generation with unsustainable debts that would mean higher taxes and poorer public services. We can fund our priorities at the same time as reducing the deficit only if we find savings elsewhere and this Bill will contribute to that. As I have said, it will end eligibility for child trust funds, repeal legislation on the saving gateway and abolish the health in pregnancy grant.

These were not easy choices to make, but they were the right choices. We simply cannot afford the luxury of spending half a billion pounds a year on the child trust fund when that money is not available to people for 18 years. We simply cannot afford to introduce a new scheme like the saving gateway as we start to tackle the most challenging fiscal position for decades and we simply cannot afford to keep spending £150 million a year on the untargeted, unfocused health in pregnancy grant. The tough choices that we have made on those policies will save £370 million this year, about £700 million next year and about £800 million each year from then on. That means £800 million less in spending cuts, tax rises or borrowing, as we would have had to find that money from somewhere else.

This is a timely debate as it comes on the day that a leaked Labour document acknowledges the lack of substance in Labour's economic plans. If the Opposition oppose the Bill tonight, they will have to explain how they would plug the gap. If they do not, that will be further proof that their plans lack substance. We have made our choices and they have to make theirs. The Bill puts those choices into action and I commend it to the House.

6.3 pm

Mr David Hanson (Delyn) (Lab): If the Minister did not know the strength of feeling on the Labour Benches about this Bill before, he does now. It will hit children, women and families unfairly, it will hit the poorest in our society the hardest and it will undo the positive steps that the previous Labour Government took to tackle inequality. I say to him, on behalf of my right hon. and hon. Friends, that it is a bad Bill and that we will oppose it this evening in the Lobby. As the Minister has said, it removes eligibility for child trust funds, abandons the saving gateway and abolishes the health in pregnancy grant, each of which was a progressive

measure of the previous Labour Government and was welcomed by groups that tackle inequality. Each of those measures is being jettisoned by the Conservatives and Liberal Democrats not as a matter of deficit reduction but as a matter of dogma. As my right hon. and hon. Friends have said in interventions, there has been no impact assessment. Not content with taking a gamble in the spending review on our jobs and growth, the Government have made choices that are unfair and that will hit the poorest in society the hardest.

Clause 1 concerns child trust funds, which were introduced by the Labour Government for three main reasons: to promote saving, to encourage financial education and to ensure that in future all young people would have a financial asset at the age of 18. The CTF scheme is having a positive effect. Between April 2008 and April 2009, a massive 823,504 CTF vouchers were issued—70,000 a month. More than 74% of those accounts were opened by parents and more than £2 billion is now held in those funds. At the end of this year, there will be 6 million child trust fund accounts for which the Minister will abolish contributions for the future.

Mark Tami (Alyn and Deeside) (Lab): Does my right hon. Friend agree that it is clear that Government Members are ashamed of this terrible Bill as there is hardly anyone on the Government Benches to link themselves with it?

Mr Hanson: I give credit to the Minister for defending the indefensible, and I look forward in particular to hearing Liberal Democrat Members and others defend the removal of these grants, trust funds and the saving gateway, all of which help the poorest in our society.

Martin Horwood (Cheltenham) (LD): Does the right hon. Gentleman accept that child trust funds were never designed to help children because they are paid to 18-year-olds and that when funds are scarce it is better to target them at children who are in education through something like the pupil premium? If his party was so concerned about people having an asset at the age of 18, why did it introduce tuition and top-up fees?

Mr Hanson: I shall not take lessons from the Liberal Democrats on tuition fees given the outcome that they have got in that regard. The hon. Gentleman needs to recognise that the trust funds are an investment to tackle inequality among people at the age of 18 and to give poor people in society a chance at the age of 18. Not every will have a trust fund at the age of 18: some of the Cabinet's will, but not everyone's. He should recognise that poor people need that help and support at the age of 18.

Mr Jim Cunningham (Coventry South) (Lab): Does my right hon. Friend agree that the comments of the hon. Member for Cheltenham (Martin Horwood)s are a bit rich given the Liberal Democrats' current position on tuition fees after they campaigned against them for years? The Government claim to be very interested in eliminating child poverty, but how will what has been announced tonight do that? It is sheer hypocrisy.

Mr Hanson: My hon. Friend is correct in the sense that there are ways in which we can tackle child poverty, such as by ensuring that people have an equal opportunity at the age of 18 to make progress in their lives through jobs, training and university. One way in which we were doing that was through the child trust fund.

Sandra Osborne: Does my right hon. Friend agree that if the measures were due to financial constraints, the Conservatives would have kept the CTF mechanism in place, given its success, and perhaps cut the contributions with a view to reinstating them when times were better rather than abolishing the funds altogether?

Mr Hanson: I shall come to that point later. The Government have chosen to take a sledgehammer to the funds and not even to consider other options such as that mentioned by my hon. Friend.

Toby Perkins: My right hon. Friend is touching on the choices that the Government have made. The number of attacks that they have made on children, families and women is revealing. They seem willing to give money to married couples who do not have children but they are taking money from families with children. Anyone who has been married and had kids knows that it is not getting married that costs money but having kids. When my son was four months old I thought that he was robbing my wallet because I had no money left. Does not the Government's approach show how out of touch they are with the real lives of families and children?

Mr Hanson: I agree. The Government are not in touch with the difficulties of raising a child or of meeting the costs when children reach the age of 18.

The child trust fund is worth £500 to each child over their lifetime, but it is worth £1,000 to the poorest children. The Minister will know that the previous Labour Government also introduced a disability living allowance payment on top of £100 or £200 for those entitled to DLA. That measure was introduced to take into account the significant extra challenges that disabled people face at that important time in their lives. When that measure passed through Parliament earlier this year, under the previous Labour Government, the Conservative party did not oppose that addition. Indeed, the present Financial Secretary said that

"we recognise that additional support is required for children with disabilities, and we have no objections to this statutory instrument."—[*Official Report, Eighth Delegated Legislation Committee*, 10 February 2010; c. 4.]

The Liberal Democrats' spokesperson at the time said they were happy to support the regulations. Quite simply, the Government say one thing in opposition and another in government.

As young people reach 18, the financial challenges—not least those imposed on them by the current Government—will be more difficult. If individuals do not come from a wealthy background, the prospect of stumping up extra money for tuition fees is an eye-watering one. Not everyone will have a trust fund of their own to manage those resources. The children's trust fund would have provided young people with an extremely welcome lump sum, would have helped people with education and training from the age of 18, and would have helped people to save who had never saved before to supplement their future income.

Martin Horwood: I may not necessarily be supporting the tuition fee proposal of my hon. Friend the Financial Secretary to the Treasury, but at least he is increasing

[Martin Horwood]

maintenance grants for the poorest students, which the Labour Government did not manage to do.

Mr Hanson: May I just say three words to the hon. Gentleman: education maintenance allowance? I look forward to him voting to abolish that and to raise tuition fees—both of which he pledged not to do at the general election.

With child trust funds we are trying to help poorer people and those on lower incomes to save for their children's future. Before the child trust fund, only 18% of children had regular long-term savings made for them. The child trust fund industry average is now 31%. Among families on incomes just above welfare dependency, 30% of the child trust fund accounts now have money saved into them every month. Families in the lowest income bracket are now saving a higher proportion of their household income for their children than those in affluent groups. Do not take it from me, Mr Deputy Speaker: parenting groups, charities, think-tanks and academics have all put their names to motions and supporting letters that say the decision to abolish the child trust fund, along with the saving gateway, is short term and misguided.

So today, as the Government prepare to take the child trust fund from our children, we need to know what they intend to replace it with. The Minister has said that there will be no substitute and no compensation for the scheme where there is a Government contribution to encourage that saving. I welcome the fact that he wants to consider a future scheme to maintain the infrastructure. We know that the annual cost of running the child trust fund was about £5 million last year. I hope the Minister will confirm and look, in the winding-up speech at least, at how we keep that infrastructure in place to ensure that parents can make voluntary contributions.

Mrs Hodgson: Does my right hon. Friend agree that the difference between the numbers of Members present on each side of the House is interesting? As the Minister said, Governments have to make choices; indeed, I think the Chancellor said that only last week when he announced the comprehensive spending review. Some of those choices are more difficult than others and some are more shameful than others. Perhaps there is only one Lib Dem Member in the Chamber and so few Conservative Members because this is a rather shameful thing that they are doing, and a lot of them cannot face up to what is being done.

Mr Hanson: We shall see. I welcome my hon. Friend's contribution. When we debated the child trust fund and the reduction in funding in Committee in July, and when we had a vote on the Floor of the House, Liberal Democrat Members flooded into the Lobby to support that measure; Conservative Members flooded into the Lobby to take money away from newly born children from August of this year. That is a disgraceful position, and the strength of feeling that the Minister will face today from my right hon. and hon. Friends shows that Labour Members, who introduced the saving gateway, the child trust fund and the health in pregnancy grant, are proud to have done that and proud to defend them in the Chamber today.

Pete Wishart: The right hon. Gentleman is absolutely right that the coalition Conservative Government are doing some appalling things to women and children, but perhaps he could talk about what the Labour party did. Was not the Labour party going to halve child poverty? What actually happened to child poverty in the last few years of the Labour Government? Did it not go up?

Mr Hanson: I will say just this to the hon. Gentleman: record levels of the minimum wage, record support on Sure Start, record investment in education and tackling child poverty across the board. The Labour Government have a proud record of tackling inequality and trying those issues. *[Interruption.]* The Financial Secretary says, "Records of deficit". I recognise, as does my right hon. Friend the shadow Chancellor of the Exchequer, that we need to tackle the deficit, and that is where the choice is today. The choice for the Financial Secretary is to cut deeper—*[Interruption.]* If he stops chuntering for a moment from the Front Bench and listens, he will hear me say that choices have been made to cut the deficit much more slowly than the hon. Gentleman was doing, over a longer period. There are other issues that could be looked at. The Government's banking levy is worth a proposed £2.4 billion. If the Labour Government had been in office, that would have been £3.5 billion. There is £1.1 billion extra already from that funding. The hon. Gentleman knows there are differences of approach, and the Labour Government would have taken a different approach to the deficit, and would have been able to save those resources in a much better way.

Owen Smith (Pontypridd) (Lab): Does my right hon. Friend agree that another example of the fundamental difference between what we would have done in office—indeed, what we did in office—and what this Government are doing today is the disgraceful sop we have heard from the Minister, replacing the child trust fund with a tax-free account, which as we all know will do absolutely nothing substantive to encourage saving among low-earning families, as the trust fund was doing? That is the real business we are debating today, and I, for one, think it is a mistake and a disgrace.

Mr Hanson: One of the great benefits of the child trust fund was that it encouraged people on lower incomes to save, it gave a kick-start to their savings accounts and it helped them to get into the habit of saving. The change that the Minister has made will mean that those people who can save will save, and those who are not used to saving, do not have the resources to save or are not part of that savings culture, will not save. That will impact, in due course, on the inequalities of people in their 18th year.

Paul Goggins *rose—*

Mr Hanson: Before I give way to my right hon. Friend, let me say that one of the most disgraceful things will be the fact that the Government are taking child trust fund contributions from children who have no parents, who are in care, who need the support of the state to reach their 18th birthday—who will need that kick-start in due course. I am sure that is the point that my right hon. Friend was going to make.

Paul Goggins: I am very grateful indeed to my right hon. Friend for giving way. [HON. MEMBERS: "Hear, hear."] He has been very generous, as was the Minister until, for some unknown reason, he declined to take interventions towards the end of his speech. My right hon. Friend may remember that in an intervention I raised the issue of looked-after children. After that, the Minister announced, although he did not go into too much detail, the new tax-free savings account for children. Does my right hon. Friend think it would help if we knew how looked-after children might be able to benefit from the new scheme that the Minister just announced?

Mr Hanson: Perhaps the Minister can tell us that in his winding-up speech, because clearly, looked-after children, children in care, would have had a contribution to the child trust fund, which would have helped them, on leaving care at the age of 18, to start a life without parental support. That is an important contribution that this Government have taken away from looked-after children.

Paul Goggins: To be constructive: there may be opportunities for local authorities, for charitable trusts, for other people in the community, to contribute to funds set up in the name and for the benefit of looked-after children. Will they be able to benefit from this new tax-free savings account? I do not know, because the Minister would not take my intervention and answer the question.

Mr Hanson: I hope I can assure my right hon. Friend that as we have eight sittings in Committee, I will table amendments on some of those issues. Indeed, I can even offer him a chance to serve, should he so wish, on the Public Bill Committee in due course.

Toby Perkins: Teenage pregnancy levels are high in some of our most deprived communities, and the child trust fund at least offered 18-year-olds who were about to have children the chance to take a different track or to receive some support. Does my right hon. Friend agree that the Bill will take away a key tool in the battle against child poverty?

Mr Hanson: It will indeed take away a key tool in helping to deal with inequality and poverty at the age of 18. The child trust fund encourages saving, particularly among people from the poorest parts of our communities.

Kate Green: Is not the Minister proposing tax breaks for savers' children, benefiting families who pay tax—the better-off—and widening inequalities, because non-taxpayers will get no benefit at all?

Mr Hanson: My hon. Friend is exactly right, and from her background outside the House as well as inside it, she will know how important that contribution is, but let me move on to the Saving Gateway Accounts Bill, which was introduced in 2009 by the Labour Government, again to encourage people on low incomes to save for their future.

Cash savings accounts were created for those on lower incomes, providing a financial incentive to save, with the Government matching, pound for pound, the money that people saved in the scheme. The scheme was proposed in 2001: 22,000 people have so far taken part in the pilots, and £15 million has been invested in savings through those pilots. The accounts have run for two years, and they have been a positive way for people to start to save, with help and support for those in our poorest communities.

The first pilot ran between 2002 and 2004, and 1,500 saving gateway accounts have been opened in Cambridge, Cumbria, east London, Manchester and Hull, in the part of the world of my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson). Additional pilots have been run recently in South Yorkshire. Those schemes have shown that we can generate new savers, new saving and, indeed, help people on poorer incomes to put aside money to meet some of the challenges that they face in their daily lives.

Hon. Members need not listen to me about the importance of those schemes; let me give them an authoritative voice on the Saving Gateway Accounts Bill:

> "The Bill serves a valuable purpose in encouraging people, particularly those on low incomes, to save. People on higher incomes have an opportunity to smooth out fluctuations in income and expenses to which those on low incomes do not have access. If the Bill is successful in encouraging people to save, it will enable them to create a modest buffer against variations in income, such as the unexpected expense of being laid-off for a short period. It will give people a degree of financial security they have not had hitherto."—[*Official Report*, 25 February 2009; Vol. 488, c. 323.]

Those are not my words, nor those of my right hon. and hon. Friends; they are the words of the Minister, who is now introducing proposals to end such schemes, although he supported the 2009 Bill—doing one thing in opposition and, yet again, another thing in government. At a time when potentially 500,000 people are being laid off because of the public sector cuts as part of the comprehensive spending review, the Government will take that support away from those who need it most.

In the absence of the saving gateway scheme, how does the Minister propose to promote the culture of saving among people on lower incomes? As my hon. Friend the Member for Stretford and Urmston (Kate Green) said, how do we ensure that saving is not the preserve of the rich and that it is done throughout society, so that people can help themselves and ensure that they save for the future in partnership with the state?

If we turn to the last part of the Bill, we see the full force of the coalition's new politics turning itself on those who are pregnant. Any hon. Member who is a parent knows that raising a child is a uniquely rewarding experience, but we all need to recognise that it can be financially challenging in the run-up to a birth and that it can be difficult for young mothers and young families. Not only was the health in pregnancy grant introduced in recognition of the health benefits of covering some of the additional costs involved during pregnancy, but it was paid universally to all mothers to ensure that they could buy help and support during the last weeks of their pregnancies. Such support covered healthy eating, vitamins, medicines, books on healthy pregnancy or the cost of maternity clothes or folic acid, as mentioned by my hon. Friend the Member for Bolton South East (Yasmin Qureshi). Folic acid can help to reduce the risk of spina bifida, but 400 mg costs £9.99 at Boots. The health in pregnancy grant can be used for those costs

[Mr Hanson]

and put towards getting help and support for health, and it is linked specifically to ensure that advice is given to mothers in pregnancy as part of the deal.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I am sure that hon. Members on both sides of the House agree it is important to target resources at the most vulnerable, but in dealing with pregnancy specifically, can the right hon. Gentleman point to any evidence that such help has improved the outcomes of deliveries, or births, or the health of ladies during their pregnancies?

Mr Hanson: If the hon. Gentleman cared to listen not just to me but to a range of groups that support pregnant mothers—from maternity groups to the Fawcett Society and others—he would find that there is a real input. He has a medical background, but if he is telling me that the grant does not matter to individuals who pay extra for healthy eating and minerals, who take medicines to reduce the risk of spina bifida and who need to buy maternity clothes and so on, I would like him to stand up and tell his constituents why that is so.

Dr Poulter: The right hon. Gentleman is making points about a grant that is given later in pregnancy and talking about minerals that are given earlier in pregnancy, so he needs to understand the issue a little better, but can he give any evidence of how the grant has improved the outcomes for mothers during pregnancy? Can he produce such evidence from any birthing group, any obstetric group or any midwifery group?

Mr Hanson: The hon. Gentlemen need not listen to me but should listen to the groups that are arguing for the retention of the grant. It is important not just for health but for costs of pregnancy, such as maternity dresses or equipment for the home, or covering time taken off work through ill health. Women on poor incomes need help and support to cover those important things, and this universal grant can help individuals to meet those needs at a time of great stress in the 25th week of pregnancy.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I noticed that the Minister referred during his submission to a quotation from the National Childbirth Trust, which expressed its upset that the grant was not provided earlier in pregnancy. I also have a quote from the trust that might provide the evidence requested by the hon. Member for Central Suffolk and North Ipswich (Dr Poulter):

> "At a time when families are trying to make ends meet, the Coalition Government has hit parents particularly hard. Cutting pregnancy and maternity grants, as well as child benefit and tax credits, will make it even more difficult for new parents or those wanting to start a family... the Government should stick to its commitment to making the UK more family friendly."

Mr Hanson: My hon. Friend quotes the chief executive of the National Childbirth Trust, but she could have also quoted the Royal College of Midwives, which said that there is an opportunity for midwives to communicate health advice to women and their families, as the grant is dependent on engagement with health practitioners. Never mind the cost of maternity dresses and other clothes, minerals, healthy eating, advice or taking time off work, these are important grants.

The Bill shows that the Government are out of touch with the needs of the vast majority of the British people. A £190 maternity grant may not seem much to some Government Members, but for the shop worker getting by on the minimum wage, it is a significant amount of money. For a woman with an unemployed partner, it might make a difference to the future health of their child. For those people, the grant makes a difference. Like the child trust fund, the grant is about investing in our future and in our children's health and in giving them a good start and ensuring that they have a break at the age of 18, to make their way in life with positive support.

Kate Green: Does my right hon. Friend agree that one of the things that is likely to happen if women are given a sum of money in the seventh month of pregnancy is that they will go out and spend it, thereby also helping to regenerate their local economies?

Mr Hanson: Indeed. That is a good point, but I would say in passing to my hon. Friend that, unless I missed something, the Minister seemed to indicate that he did not feel that women would spend the money on things that matter for their pregnancy. He seemed to take a "shoes and nail varnish" approach in relation to what the grant has done. Most women take a great interest in the development of their children—that is the most important thing in their pregnancies—and they will do things to ensure that their children have a great start in life, and the grant was an opportunity to help in that respect.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Government Members are slightly confused on this matter. The Government keep saying that these draconian cuts for the poorest children are necessary to help the deficit and laud their own policy of giving two-year-olds 15 weeks' free education, basing access to such a service on eligibility for free school meals. How many two-year-olds receive free school meals at the moment? If those two-year-olds do not have older siblings, what mechanism must be set up across Departments to work out which two-year-olds are eligible? What is the cost of such a mechanism? How much of the money recouped from the cuts that the Government propose will be wasted on a complicated mechanism to work that out?

Mr Hanson: My hon. Friend makes an important point. There was a thread running through the Labour Government's intentions to ensure help and support for children, help and support for those on low incomes to save, and help and support for families to save for their children's 18th birthday and beyond. *[Interruption.]* The Liberal Democrats are down by 50% already—down to one Member present.

Martin Horwood: In defence of my hon. Friend the Member for Bristol West (Stephen Williams), he is attending a Bill Committee.

Mr Hanson: The hon. Member for Bristol West (Stephen Williams) is a member of the Finance Bill Committee, as am I. I am in the Chamber defending our position on behalf of the Labour Opposition. The hon. Gentleman is in the Finance Bill Committee saying nothing about

what is happening upstairs and supporting the Conservative party in Divisions upstairs. The hon. Member for Cheltenham (Martin Horwood) should reflect on those matters.

The changes proposed in the Bill, coupled with changes to direct tax, tax credits and benefits, will hit women harder than men. The spending review changes hit women twice as hard as men. The emergency Budget changes hit women three times as hard as men. Cuts in child care, tax credits, child benefit and other support will make it harder for women to work. More than £6 billion is now being cut in direct financial support for children—three times more than is being taken from banks.

I come back to the fact that the banking levy proposed by the Conservative Government, which was a Labour Government initiative, will raise £2.4 billion. My right hon. Friend the Member for Kingston upon Hull West and Hessle proposes a banking levy of £3.5 billion.

Mr Hoban: The banking levy was not an idea of the previous Government. The previous Chancellor of the Exchequer ruled out the banking levy that we have introduced.

Mr Hanson: No. If there is a banking levy in place, we will support a higher banking levy. Would the hon. Gentleman support a banking levy of £3.5 billion and scrap the abolition of pregnancy grants today? No, he would not.

Mr Hoban: Last week the banking levy that the shadow Chancellor proposed was to pay for infrastructure. This week it is to pay for the cost of child trust funds and the health in pregnancy grant. With the banking levy stretched so far, the right hon. Gentleman needs to control his spending commitments.

Mr Hanson: There is a range of measures that the Labour Government introduced and would have introduced in relation to deficit reduction. There is a range of measures that my right hon. and hon. Friends and I were elected to implement to reduce the deficit over a four-year period, including an additional banking levy and help and support for deficit reduction. *[Interruption.]* The Financial Secretary says that is not so. Whatever happened at the general election, we were elected on a policy to reduce the deficit over four and a half years. We would have done that. We would have implemented measures including a range of tax changes and help and support for public sector efficiencies of £15 billion. He is making a choice that puts women, children and the poorest in our society at the greatest disadvantage as a result of the changes. That is a disgrace. We should have looked at the situation differently.

Mr Russell Brown (Dumfries and Galloway) (Lab): I hope my right hon. Friend will take the opportunity from the Opposition Front Bench to remind the Minister that it was our aim to raise an additional £19 billion through taxation, 60% of which would have come from the top 5% highest earners.

Mr Hanson: Indeed. As my hon. Friend knows, even now some of the Budget measures that make the Budget seem fairer than it is are measures that we supported in government and which the Conservative Government opposed when they were in opposition. I will not take lessons from the Conservative Minister on fairness towards pregnant women, children and those on poorer incomes, because the Labour Government, when in office, had a proud record of fighting on those issues.

In conclusion, the debate is about choices for the future. As my hon. Friends have pointed out, other choices could have been made. I am not saying that I would have supported them or agreed with them, but the Government could have considered a range of other choices. They could have suspended payments for a period of time for the child trust fund, the maternity grant or the saving gateway. They could have means-tested them, so that individuals with the highest income in society did not receive the maternity grant or the child trust fund.

The Government could have considered measures including a payment holiday. They could have considered phasing out the support over a longer period. They could have done all those things, but they have not. They have taken a sledgehammer to the child trust fund, the saving gateway and the health in pregnancy grant. It is not the deficit that is driving these measures; it is dogma on the part of the Conservative party.

The Government do not recognise the pressures of bringing up a child with limited financial means in the 21st century; they do not understand the difficulties faced by people trying to save on low incomes; and they do not understand the difficulties that mothers-to-be on low incomes face in the final weeks of their pregnancy. The Bill shows that the Government have made the wrong choices. It will deepen inequalities in our society, and I urge all right hon. and hon. Members to reject it.

6.35 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): It is a pleasure to follow the shadow Minister, the right hon. Member for Delyn (Mr Hanson), who was my first political foe when I was just 14 and he was leader of Vale Royal borough council. In the intervening 20 years, he has only got worse. That is a sad thing to have to say.

It is important that we remember why we are here today and what we are here to discuss. We are not here to discuss whether it is a good idea for families to save, or to encourage children to save. We are not here to discuss whether it is a good idea that pregnant women should enjoy good health during pregnancy. We are here to discuss whether the specific items of legislation introduced by the previous Government achieved their goals and warrant continuation.

The Labour Government had a fondness for introducing legislation willy-nilly, volume after volume of it. At no point did they ever feel a need to investigate whether their legislation achieved its goal. I have nothing against innovation in public policy. The work of think-tanks is important, and it is a disappointment to me that the former Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), is not in his place today to defend his creation, as I know he felt such a passion for it at the time.

[Paul Maynard]

What we are here to do today is to decide whether specific items of legislation were effective—not whether they were popular, whether they made Labour Members feel good about themselves, or whether they excited think-tanks, interest groups, pressure groups or campaigners. The question is whether they achieved what they set out to achieve. We cannot have such a discussion without considering the wider economic issues. Every day we are spending £120 million just paying off the debt that we inherited from Labour. I could spend that money in my constituency alone 40 times over. I am sure every Member in the House could do so. We must place the debate in the wider economic context.

There are two important tests that we should apply to any legislation. I call them the Ronseal test and the rhododendron test. The Ronseal test, for those who watch commercial television, might be a bit obvious: does it do what it says on the tin? Any piece of legislation and its effectiveness must be assessed on whether it achieves its goal.

The rhododendron test might be a little more obscure. I often find when listening to those who represent the left in British politics that they identify totemic pieces of legislation that they consider vital and which become representative of a much wider public policy area. They go on to defend that legislation to the hilt, thereby ignoring every other aspect of public policy in that area that could make a difference, just as in a parkland, where rhododendron may look beautiful but it covers so much ground that it chokes off wider growth that might be beneficial.

If we apply those two tests to the child trust fund, for example, how do they stack up? Originally, the former Prime Minister called it the baby bond. It was meant to be a nest egg, a form of what was then in vogue—asset-based welfare. Unfortunately, the fund was not much of an asset by the time the child got to 18. The scheme certainly was not what the philosophers behind the idea of asset-based welfare had in mind. Others sought to define it as progressive universalism. We have a habit in this country of trying to adopt fancy-pants names for new ideas, philosophies and ways of looking at politics, and I am not entirely clear what progressive universalism actually means.

Kate Green: I shall be happy to explain to the hon. Gentleman what progressive universalism means in the context of the child trust fund. It means that all children receive something but the poorest receive more. In that way, we obtain the benefit of popular support for a policy that directs more money to those who need it most.

Paul Maynard: I thank the hon. Lady for what I presume she thought would be a helpful contribution for idiots like me. I shall read a useful quotation from the Child Poverty Action Group in 2005, which I believe the hon. Lady chaired at the time. It is a lengthy quotation on the group's approach to the fund, but it bears repeating:

"Although the Child Trust Fund will benefit some lower income families, we are concerned that families who are at greatest risk of living in severe and persistent poverty are the least likely to be able to contribute to the CTF, so their children will derive little or no financial benefits when they turn 18."

Kate Green *rose—*

Paul Maynard: Forgive me, I shall not give way because I have not yet finished the quotation.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Give way!

Paul Maynard: If the hon. Gentleman will calm down and let me finish the quotation, I shall happily give way. Learn some manners, sir, please.

The CPAG continued:

"The very children who would benefit most from having savings and assets are likely to derive least financial advantage from the scheme."

I shall now give way to the hon. Lady.

Kate Green: I am very grateful to the hon. Gentleman. It is true that the CPAG, of which I was chief executive at the time to which he refers, had some misgivings about the initial design of the child trust fund. Thanks to our lobbying, I like to think, the product was improved over time and the extra payments for low-income children were then introduced. Does the hon. Gentleman not agree that that was rather a good development in a policy that is certainly still ripe for improvement, as he rightly says, but not for abolition?

Paul Maynard: Let us rejoin the theme of progressive universalism, which the hon. Lady so kindly and patronisingly explained to me. If the fund is so universal, why in the first four years did 25% of people not apply for it? To me, that is not universal; that is rather partial.

Stella Creasy (Walthamstow) (Lab/Co-op): Is the hon. Gentleman aware of the research by Elaine Kempson of the university of Bristol on the increased take-up of the child trust fund? Three out of every five parents now take it up automatically, and the state picks up the rest.

Paul Maynard: Three quarters of those accounts opened since 2005 have failed to receive additional deposits; 99% have not received the maximum funding available; and only 71% of eligible children have a child trust fund. I am not trying to argue, as Opposition Members seem to think, that the fund is a failure; I am trying to argue a more subtle point, that this piece of legislation—this policy innovation—has not achieved its goal.

Catherine McKinnell: Will the hon. Gentleman give way?

Paul Maynard: I shall give way on this one occasion.

Catherine McKinnell: The child trust fund has not been in existence long enough truly to reap the benefits that it would if it were kept on. In respect of deposits, the fact is that when parents have young children, their outgoings are extremely high, but if the child trust fund is in place in the future, when they have more expendable outgoings, they are able to invest more money in it. So, an awful lot of parents who might not invest when

the child is a baby might do so in a few years' time when the child has gone to school and they are not paying for child care and so on.

Paul Maynard: I thank the hon. Lady for those ifs and buts. We can all hope for what might happen at some point in the future.

The shadow Minister, the right hon. Member for Delyn, set out three reasons why Labour introduced the measure. It was about inculcating a savings culture, encouraging financial education and providing a nest egg. So, rather than assessing the measure against the legislation, let us try to assess it against what the shadow Minister said was important.

There is no evidence that the fund has encouraged a savings culture. Many organisations that promote financial education come to me time and again to ask, "Why didn't the last Government do more to promote financial education, particularly at primary level?" In the average family, a piggy bank—

Stella Creasy: Will the hon. Gentleman give way?

Paul Maynard: Sorry, I am not going to give way any further. I have been very generous in giving way, but I am afraid that I am not a bus stop.

Stella Creasy *rose—*

Paul Maynard: No, I am sorry, but I am not giving way to you, madam, so kindly take notice of that.

Having a piggy bank—*[Interruption.]* I am going to make the point that having a piggy bank in one's bedroom is a much greater spur to saving and learning about the culture of savings than any attempt to lock away money until the age of 18.

The right hon. Member for Wythenshawe and Sale East (Paul Goggins), and the hon. Member for Kilmarnock and Loudoun (Cathy Jamieson) in her Westminster Hall debate, have raised the issue of looked-after children and how we deal with them. It is a very important issue, but the Opposition should hang their head in shame at the outcomes that looked-after children obtain after 13 years of Labour rule. The points that those Members made were an example of what I call the rhododendron test. By focusing on the tiny issue of whether such children should continue to receive child trust fund payments, they overlook the much wider public policy issues. There are many other ways in which we can and do help looked-after children.

Diana R. Johnson: What? By cutting the child trust fund?

Paul Maynard: Sorry, but if you are going to make interventions, madam, please stand up.

Diana R. Johnson: I should like to make two points. First, before the election in May, the Tories voted against introducing personal, social and health education—including economic and financial education—and making it a statutory subject in all schools. So, the Tory party should hang its head in shame. Secondly, on looked-after children, what are they doing as a Government—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The intervention has gone on for far too long. The hon. Gentleman is making his points, but he must return to the issue at hand.

Paul Maynard: Thank you for that advice, Mr Deputy Speaker.

There are other ways in which we can and do help looked-after children. In particular, for example, there is a high correlation between looked-after children and poverty. That stands to reason, particularly in terms of their geographical location, but the pupil premium, which we announced recently, will go a long way to helping those children who are in education to make it as far as university in the first place. Finally, on the child trust fund, I welcome the notion of a children's ISA. I hope that I hear about it in a future announcement or Budget.

I should now like to apply my two tests to the health in pregnancy grant. It is what it says it is: it is about health in pregnancy. The former Prime Minister, when Chancellor, introduced the policy, saying that the Government had received "powerful representations" regarding the importance of good nutrition during the final stages of pregnancy. The grant was clearly designed to promote health in pregnancy, but, when the measure was going through its Delegated Legislation Committee, the then Health Minister, the right hon. Member for Exeter (Mr Bradshaw), accepted that the bulk of health improvements occur when changes in behaviour occur earlier in pregnancy. Waiting until the seventh month is rather like shutting the stable door after the horse has bolted; it certainly does not encourage a behavioural change.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): By that very logic, would it not therefore make sense for the hon. Gentleman's party to propose an earlier payment of the grant?

Paul Maynard: I could well ask why you did not think of that when you introduced the scheme in the first place. It is a bit late now—

Mr Deputy Speaker: Order. Everything has to come through the Chair. We have to work through the Chair and not be distracted as we have been.

Paul Maynard: Improvements in diet are important, but the waiting times for those applying for the health in pregnancy grant have been anything up to eight weeks, by which point the money that was supposed to transform their ability to access an improved diet is simply not appearing. It would be very easy to dismiss—

Catherine McKinnell: Will the hon. Gentleman give way?

Paul Maynard: No, I am not going to give way now—[Hon. Members: "Give way!"] No, I do not want to give way—*[Interruption.]*

Mr Deputy Speaker: Order. The hon. Gentleman has given way quite a lot, and if he does not wish to give way now, hon. Members must accept it.

Paul Maynard: It would be very easy to dismiss health in pregnancy grants, as some Opposition Members seem to think that we are doing. I am not doing that. My constituency has significant pockets of poverty, and if Conservative seats were ranked in order of deprivation, mine would be somewhere near the top. I spent a fascinating Friday a couple of weeks ago with our family nurse partnership, a pilot project that is working with young mothers-to-be in the most deprived quartile of the population in the most deprived areas of the constituency. They receive intensive support from the moment they become pregnant to beyond the birth. It is a fantastic project and it costs £3,000 per mother. The project also works with the father. It addresses issues such as self-esteem, improving literacy and numeracy, helping the father to get back into work and ensuring that the father feels part of the birth.

To my mind, the project achieves far more than a £190 health in pregnancy grant. One might argue that it is a significantly greater amount of money, but I would argue that it represents a different approach to policy making. The hon. Member for Nottingham North (Mr Allen) is looking at early intervention on behalf of the Government and he is a strong supporter of the family nurse partnership. I think that it makes a much greater difference to outcomes if we have evidence-based policy. My hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) was correct to pursue the Opposition about the lack of medical evidence for improvements in the health of pregnant women—

Catherine McKinnell: Will the hon. Gentleman give way?

Paul Maynard: No, and the quote that I heard from the hon. Lady did not pass the quality threshold for the *British Medical Journal* and nor was it ever likely to do so, coming as it did from a press release.

It is also worth bearing in mind that we give other targeted interventions for pregnant women that are designed to assist them. The Minister has referred already to the Sure Start payment and the healthy start payment, and the latter is specifically designed to support women who wish to improve their dietary health by purchasing fruit, vegetables, vitamins and other things that will assist them. Interventions must be properly targeted and not just handed out. It is all very well to oppose this measure, but not to do so by reference to generalities. These proposals have to be considered in the round, and those Opposition Members who may not like this proposal need to suggest what they would do instead and how they would seek to cut the deficit that they have left behind.

This Bill is the start of something new and radical. I am a great fan of Ronald Reagan, the former President of the United States—as we all should be. He always said that he lived on the sunrise side of the mountain and I always try to do so too. Although my glass is often half empty, when I consider things I try to take an optimistic view, and I consider this to be an important measure. It says that—unlike the previous Administration—no longer will we pass legislation year after year without bothering to ascertain whether it achieves its purpose. We will pass legislation based on the evidence of whether what has gone before has worked and whether it assists in meeting the wider challenges of public policy that we face—both economic and social. I urge the House to support this Bill, not just because it will assist us in reducing the deficit, but because it introduces the concept of evidence-based, high-quality public policy making, and that is sorely needed in this country today.

6.54 pm

Teresa Pearce (Erith and Thamesmead) (Lab): I am grateful for the opportunity to speak about clause 1 of this Bill today. In 2005, the child trust funds were launched in an attempt to build financial education and encourage habitual saving. The scheme was progressive in that it gave additional financial help to those who needed it most, with larger sums given to children from low-income families, children with no families—those in care—and disabled children.

The Government's decision to introduce this Bill to phase out and then stop all Government payments to child trust funds is short-sighted and unfair. It is short-sighted because it scraps a popular scheme that encourages young people to save, without putting a replacement mechanism in its place. It is unfair because it is part of a package of measures contained in the comprehensive spending review that asks children and families—and children with no families—to play a bigger role in reducing the deficit than the banks and large corporations.

Ministers have failed to say what they would put in place of child trust funds to encourage families, and low-income families in particular, to save specifically for their children's future. In answer to a written question on 20 October asking what the Department for Work and Pensions is doing to encourage saving among low-income families, the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb) cited a number of general initiatives to encourage adults to save for later life, but failed to mention any plans to encourage parents and children—and children without parents—to put money aside to help with the transition to adulthood.

At the moment, it seems inevitable that the winding down of child trust funds will reverse recent efforts to increase the financial literacy of young people in this country. Financial knowledge and education in this country are at a worryingly low level. The savings ratio, which measures what proportion of earnings people in Britain are putting aside as savings, recently fell to the lowest level in seven quarters. That is no doubt linked to the recession, with wage freezes reducing household income while the cost of living continues to rise. With more strain being placed on family budgets and people having to dip into their savings, families need more help, not less, to put money away for their children's future.

Child trust funds have an important role to play in helping young people engage with financial institutions early in their lives and to develop saving as a habit. The funds also provide young people with a level of financial independence and therefore responsibility. It is particularly important for children from low-income families, where such a significant financial asset accessed at age 18 can help with social mobility. Studies show that young adults with a small amount of capital at the beginning of adulthood had a significant advantage 10 years later over those who did not.

Child trust funds are a good way of reaching families who otherwise may not save. Stopping the child trust fund scheme will only increase the chance that social

mobility will remain static. Parents with financial knowledge and greater means will likely continue to put money aside for their children's future and instil in their children the value of saving. The children of parents who lack these resources, or children with no parents, will fall behind. The Government say that child trust funds have not been successful, but as no recipient has yet reached the age of 18, I do not understand how that can be judged.

HMRC statistics show that 10,841 vouchers were issued in my constituency and more than 8,000 child trust funds were opened by parents or guardians, with the remaining ones opened by the Revenue on the child's behalf. So the initial take-up rate has been positive. The most important point that needs to be made in this debate is that the Government are not proposing to stop Government payments to child trust funds in order to reallocate the money for children elsewhere. The funding is simply being cut, with the relatively modest cost of child trust funds—£320 million this financial year—going towards reducing the deficit. Thus, a valuable scheme to help young people is to be sacrificed in the name of short-term expediency.

The Financial Secretary to the Treasury says that the eradication of the deficit is the Government's "top priority". However, if this is the Government's main priority, they would do better to look at the state of the UK tax system where the top five retail banks stand to cut around £19 billion from their tax bills in the future because of huge losses during the economic downturn, despite being saved by the UK Government through an £850 billion bail-out.

The tax payments that those banks are expected to contribute to the Government are nowhere near the expectations of most people in the UK. Banks are not being told to bear their fair share of the deficit burden that was run up because of their reckless behaviour. Instead, it is children and families, and children with no families who are being asked to bear the brunt of the cuts through the scrapping of schemes such as the child trust fund. The Chancellor used the word "fair" 24 times during his statement last Wednesday, but in reality his spending review takes more money away from children to help reduce the deficit than from the banks responsible for it.

On a personal note, as I stand here this evening, my youngest daughter is in hospital in Dartford, in labour with her first baby. She was born in 1979 under a Tory Government, and my granddaughter will be born in 2010, also under a Tory Government. The previous Tory Government came for my daughter's school milk, but at least she was five when they took it from her. From my granddaughter, however, they are taking away the child trust fund when she has just been born, and the health in pregnancy provisions before she is even born. It seems that the priorities of the Tory party are always the same.

7.1 pm

Richard Graham (Gloucester) (Con): Before coming here I read a document from the Save Child Savings alliance, which hon. Members might have had a chance to look at. I thought it would be helpful to run through some of its points about why it is so important to maintain and retain child trust funds, and answer them one by one. Its first major point is that child trust funds are all about fostering a long-term savings culture. I am sure that everyone in the House, from whatever party, will agree that that is a major national goal. However, the point about a long-term savings culture is that every form of fund or saving, including pensions, is exactly that—savings. So we cannot look at CTFs in isolation. The SCS alliance's second major point is that keeping CTFs will help to protect the savings culture in the UK. To that, we could add the CTFs' original goal of spreading financial literacy.

The question at stake this evening, therefore, concerns two main points: first, how effective have CTFs been in delivering either their original goals or the aims suggested by the SCS alliance? Secondly, what choices and other alternatives are available to provide the best for our nation's children? The results so far show that CTFs have, over their lifetime of just over five years, accumulated £2 billion of assets, which is a reasonable absolute figure on its own. However, £1.4 billion of that was provided by the Government, and only £600 million by the families and friends of those participating. As mentioned by my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard), the take-up amounts to 70%, with 24% of open accounts having received no contribution from participating families or friends.

Many better forms of savings are available in the marketplace for achieving the same ends. In particular, I highlight the existing individual savings accounts, which came from the original personal equity plans of the 1980s. These provide significantly more investment options, have, by and large—although not altogether—delivered better performance and have much lower costs. They can be designated to children, which is important, and cost the taxpayer nothing.

Owen Smith: Is that not an unfair comparison, because the ISAs have been in place for much longer than the child trust funds? It is extremely early in the life of CTFs for one to conclude that they will not achieve what they might achieve, and what we would hope they would achieve. A good point was made earlier about the point at which families tend to invest in long-term savings for their children. We can safely assume that more would have been paid in by families and friends at later stages, as more expendable income became available.

Richard Graham: The hon. Gentleman is right that this is a short period of history over which to judge them, but the fact remains that the annual management costs for CTFs, at 1.5%, are significantly higher than most of us would need to pay for an alternative form of savings. That will not alter over time. In answer to the suggestion that, in time, parents, families and friends might put more into the accounts, there is nothing to prevent them from opening an ISA or, as the Minister suggested, a new denomination of children's ISA—if one becomes available—in their child's name. Although I think that half the point made by the hon. Member for Pontypridd (Owen Smith) is right, I do not think that the overall impact of CTFs would be positive.

Catherine McKinnell: The hon. Gentleman made a point about accessibility and the fact that 25% of child trust funds set up by the state are not taken up by the individuals. How does he suggest that that 25% of

[Catherine McKinnell]

people benefiting from those savings funds will benefit from ISAs, given that they are unlikely to walk into a financial institution to arrange one for their children?

Richard Graham: I have a specific suggestion on that, which I will come to in a moment. Meanwhile, I am sure that the hon. Lady will have noted earlier the intervention from my distinguished colleague on the Work and Pensions Committee, the hon. Member for Stretford and Urmston (Kate Green), who in an earlier career pointed out that CTFs do not necessarily reach the most vulnerable families. Arguably that was a flaw in the concept at the beginning.

Kate Green: It is important to clarify this point. I did not say that they did not reach the poorest. I said that it was difficult for the poorest to participate in the savings element. However, as my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) just pointed out, with an ISA product there would not be any element of asset building for the very poorest, because they would be unable to save for themselves.

Richard Graham: The only difference is that CTFs are funded by the Government, so we come to the argument about whether that funding can be used more effectively in the context of the goals. I was going to come on to that. I suggested that there are alternative forms of savings that are more effective than CTFs, have lower management fees and better performance, and come at no cost to the taxpayer.

I come to the next point made by the SCS alliance. It argues that CTFs have been

"one of the most successful government savings schemes ever".

Members will agree that everything is relative. Clearly, CTFs did better than the previous Government's attempt to create a savings scheme—the stakeholder scheme—which is a scheme that not even the right hon. Member for Delyn (Mr Hanson), in one of his more elaborate flights of fancy, could conceivably describe as having been an outstanding success. However, by comparison with the success of other savings schemes not run by the Government, CTFs have done only a relatively modest job.

The important thing is that, although Governments can, do and should create the structure for savings schemes, their track record in running them is not good. For example, do Members believe that we should be paying people to work for Her Majesty's Revenue and Customs and spend their time advertising and promoting CTFs, or do we believe that they should be ensuring that benefits go to the right people and that we all pay the tax that we should pay? HMRC should not be in the advertising business.

Catherine McKinnell *rose—*

Richard Graham: I have given way to the hon. Lady already, but I am happy to do so again

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. If hon. Members are going to give way, they should give way quickly. If not, the hon. Member trying to intervene must sit down.

Catherine McKinnell: On the hon. Gentleman's point about HMRC officials spending their time promoting savings accounts to children and parents, the idea is to give a hand-up, rather than a handout. Rather than benefits being handed out to families, the idea is to encourage saving in a family and to make it accessible to families that would not otherwise easily access saving funds. That is a hand-up, rather than a handout, and I would have expected Government Members to support such a programme

Richard Graham: The answer is that we all want to encourage hand-ups to everybody, through whatever means possible, but that brings us to the second point about the difficult decision that the Government have had to take in their proposals—and which we as individual Members have to take—which is: what are the alternatives? I will come to that in one second, but on the Government's role in running saving schemes, one crucial lesson that I hope will be learnt from the stakeholder experience and, now, from CTFs is that the Government should operate such schemes at arm's length. When it comes to the creation of the national employment savings trust—or NEST—by the Department for Work and Pensions, I very much hope that that lesson will be taken on board.

The question then is one of choice. What could we do for our children with the money that the Government have been spending on CTFs that would be more effective? My belief is that the best investment that any of us can make as parents for our children is an investment in education. Therefore, Members need to focus on several crucial changes that have been made in the education of our children. Those changes will cost the Government and the taxpayer significant amounts of money, but that is an investment on which I believe we will all see a significant return. First, the retention of Sure Start children's centres, which were begun by Labour, is an important move by the Education Secretary. Secondly, there is an extension of the availability of free education to every three and four-year-old in the country. Thirdly and most significantly, there is the poor pupil premium, which will cost the Government some £7 billion over this Parliament and which comes on top of baseline funding for schools.

I really believe that the most important thing that any of us can invest in is education. This is not about money: I do not believe that there is any evidence that financial literacy in this country has improved as a result of CTFs, nor, in a sense, could it, because the children are not involved. Children benefit from financial literacy programmes that go into schools and talk about what type of mobile telephone package they should have and so on, not from being given a lump sum of money that goes into an account with which they have no involvement. From the choices available to the Government, the best way to spend the money was and should be in education. For that reason, I shall be supporting the Bill.

7.13 pm

Jim Shannon (Strangford) (DUP): It is a sorry day on which we are debating this Bill on the Floor of the House. It is a sorry day too, when we realise that the people whom the Bill will hurt are those whom we have always had concerns about. The hon. Member for Blackpool North and Cleveleys (Paul Maynard) said

that he could not see the real benefits of the schemes. As the elected representative for Strangford, I can quite clearly see the benefits for the people who come to my office—the people I help, the people I see every day. The attacks and the changes for children and pregnant women are wrong. The policy and the strategy that the Government have put forward will unduly hurt those who can ill afford it, and who will feel the impact more than most. I understand the need for the coalition—indeed, the need for us all—to look at how we can best save moneys, but the question has to be asked: is this Bill the best way forward? Is the best way forward to deprive those who can least afford it, and who will feel the impact more than most?

I did some research on Strangford—with the help of the staff in this place, of course. The number of parents or guardians in my constituency who have taken advantage of child trust fund vouchers totalled just shy of 6,800, with some 5,000 being for accounts opened by the parents or guardians and just under 2,000 for accounts opened by HMRC. The figures for Northern Ireland are clear, and they send a message. Northern Ireland has taken advantage of the scheme, and the area that I represent is part of that. Some 123,000 vouchers were issued before April 2008. My constituency has the third highest take-up of vouchers by percentage. For me, and for where I work and live, that clearly shows that the child trust fund puts money into the pockets of those who will need it in the time to come. It also enables young children eventually—when they turn 18—to be presented with a tax-free fund. I believe that the child trust fund should and could have done that, if it had been given the opportunity.

Mark Durkan (Foyle) (SDLP): The hon. Gentleman will recall, from his time in the Northern Ireland Assembly, the strong campaign that was fought there to ensure that credit unions in Northern Ireland could become providers of child trust funds. That campaign was fought in this House too, such was the demand to ensure that child trust funds were used in Northern Ireland and to improve direct take-up, with more choices being made by parents. That campaign was backed by all parties and all communities in Northern Ireland. That is how popular child trust funds were.

Jim Shannon: I thank the hon. Gentleman for his intervention. The credit unions facilitated that role for child trust funds, as other Members have mentioned. The scheme was extremely popular in the area that I represent and in Northern Ireland as a whole. The figures that have been released clearly show that.

Parents did channel moneys and savings through for their children, but with respect I feel that the coalition—our Government—has stopped a worthwhile scheme, which will hurt the pockets of those who need help most. The ripples of that will come through in the next few months.

Dr William McCrea (South Antrim) (DUP): The hon. Member for Blackpool North and Cleveleys (Paul Maynard), who spoke on behalf of the coalition a short time ago, suggested that the best way to encourage savings was to have a piggy bank in the bedroom. With the greatest respect, when we think about the amount of money that the parents of many of those children will have to pay and how much less they will have to spend on their children, we have to ask: where will they get that money to put into the piggy bank, and will that not increase the divide in our society and penalise its poorest members?

Jim Shannon: It has been mentioned by others that, for a great many in this House, there is an equality issue with this Bill. It will disadvantage those who can least afford it, and will give an advantage to those who perhaps do not need such schemes. We will eventually end up with inequality in our society. Northern Ireland was offering an example of how things could move forward, and the take-up of the child trust fund was an example of that.

The saving gateway account was a pilot scheme, and it never got as far as Northern Ireland—unfortunately. I was hoping that we could take advantage of the spin-offs for our constituents. There were certainly high expectations on the part of many, and that gave hope to a great many people. Again, the scheme was a savings account that involved the Government matching savers' moneys, which encouraged people to be part of the process. Unfortunately, if the Bill receives its Second Reading, that scheme will also be knocked on the head, and that concerns me. I find it disconcerting that the saving gateway account should be banished to the dusty shelves somewhere, along with the opportunity that it could have given to those who need it most.

The health in pregnancy grant never was a good sum of money, but it did help those whom it was supposed to help. The hon. Member for Blackpool North and Cleveleys referred to the Ronseal test and the rhododendron test. The Ronseal test is whether something does what it says on the tin, and I have to say that the health in pregnancy grant did what it said on the tin. As a representative, I can honestly say that it did deliver.

Sarah Newton (Truro and Falmouth) (Con): There is absolutely no doubt that women's health during pregnancy is vital, but I really must take issue with the hon. Gentleman. The health in pregnancy grant was a universal benefit, so a mother of three children such as me could have received it and, in these extremely difficult financial times, we have to make difficult decisions to ensure that the available resources are targeted where they are most needed. The Government are really targeting support for families on lower incomes in a huge range of ways. Does the hon. Gentleman not agree that it is far better to target the limited resources at the families in the greatest need—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order.

Jim Shannon: Thank you, Mr Deputy Speaker. I am sorry that the hon. Lady does not see this issue as clearly as I and many Members on the Opposition Benches see it. The grant did help people, because many of them came into my office and my advice centre, and I could see that they were benefiting from it. We have to target those people, but I do not believe that that will happen under the coalition's proposals. Those who need help the most will be disadvantaged and will feel the pain from the changes more than anyone else. I understand that qualification for the grant was conditional on the involvement of a GP, a midwife, a welfare officer or a social worker.

Dr McCrea: Will my hon. Friend tease this out a little further? I am not sure what part of the coalition's proposals targets the people the hon. Member for Truro and Falmouth (Sarah Newton) is talking about. The proposals deal with the removal of vital money, rather than with giving it to anyone.

Jim Shannon: I thank my hon. Friend for that intervention. We are clearly moving towards that, and if the Bill receives a Second Reading tonight, the opportunities will no longer be there for those who need them.

Sarah Newton: Will the hon. Gentleman give way?

Jim Shannon: As long as the intervention is shorter than the last one.

Sarah Newton: I would like to respond to the question from the hon. Member for South Antrim (Dr McCrea), because I can think of many clear ways of targeting people. We are absolutely committed to our investment in the national health service, to support for Sure Start centres and to the increased investment in district nursing through the Sure Start centres. As a result, a whole range of services will be available to pregnant mothers.

Jim Shannon: I thank the hon. Lady for her shorter intervention. I appreciate those opportunities for advancement, but the scheme we are discussing is targeted at a section of the community in which I can see its benefit. I have met many people who have been specifically targeted to receive the grant of £190. I dispute the view of those who think that many of the people who have received it should not have done so. That is certainly not my experience. Some coalition Members have referred to the grant as a gimmick, but I can tell them that it was not a gimmick to the people of Strangford whom I represent. It was something that they were able to use and take advantage of.

Household names such as the Royal College of Midwives have expressed disappointment at the decision to abolish the health in pregnancy grant, which, apart from providing pregnant women with much-needed financial support, provided an opportunity for midwives to communicate health advice to those women and their families. When such an astute body makes a statement like that, we need to take note. We cannot ignore it.

The National Childbirth Trust has also stated:

"At a time when families are trying to make ends meet, the Coalition Government has hit parents particularly hard."

That is not Jim Shannon speaking; that is a quote from the NCT. Cutting pregnancy and maternity grants as well as cutting child benefits and tax credits will make things even more difficult for new parents and those wanting to start a family. I am very worried that parents and parents-to-be have been singled out unfairly. The coalition Government should stick to their commitment to making the UK more family friendly, but I believe that the Bill will change all that.

What will these measures mean for those who were destined to gain advantage for their health and their children's health, and to stay out of the poverty trap? Some hon. Members have talked about the poverty trap today. The constituency that I represent has areas of deprivation, and I am sure that other Members are similarly disposed. I see my constituents regularly, and I have to tell the House that they will be disadvantaged by the proposals. I want to make it clear that I am here to represent them, and I hope that the Bill will be defeated. If it is, we will have done some good work here tonight.

I want the coalition Government to state exactly how they intend to stop even more people dropping into the poverty trap that I regularly see in my constituency. Will the Minister tell us what they are going to do to give hope to the people who will lose out as a result of the Bill? Are there any plans to fill that gap? Other Opposition Members have asked that question tonight. What is to be done to fill the gap, which has now widened? That question needs to be answered, and I am asking it on behalf of the people of Strangford and Northern Ireland whom I have the privilege of representing, and of the 123,000 people who took up the child trust fund and the 25,000 who benefited from the health in pregnancy grant. There are people out there who need that money and who benefit from it. I urge the coalition to think seriously about their proposals, because they will have a serious impact on the most vulnerable in society. That is something that I cannot support, and nor will I.

7.26 pm

George Freeman (Mid Norfolk) (Con): It is a pleasure to follow the hon. Member for Strangford (Jim Shannon). I am conscious of the number of Members who want to speak tonight, so I shall try to be brief. I want to make three key points. First, we need to draw breath and remind ourselves why we are having to take these measures. Secondly, I want to draw the House's attention to some of what I believe to be the flawed thinking underlying the measures that we are withdrawing. Thirdly, I shall touch on the lack of support for them from a number of independent commentators whom one might have expected to be more vocal.

We heard a lot from Opposition Members earlier, accusing us in somewhat hysterical tones—it is nice that they have now calmed down a little—of unwarranted glee at cutting back from the most vulnerable in society. Those accusations almost reached the point of suggesting that that was what we had come into politics for, which is the most appalling and, frankly, shameful accusation, and one that they do not need to nod their heads at now.

It is worth reminding the House, and those listening in the Gallery, why the coalition is having to take these measures. It gives us no pleasure at all, but the truth is that we have inherited from Labour an historic crisis in our public finances. We have a debt of £700 billion, and debt interest would be set to rise to £67 billion a year if we had not set about tackling it, which these measures are part of. Our current debt interest payments are £120 million a day. Opposition Members need to bear all that in mind before they accuse the coalition of irresponsible measures. The irresponsibility is illustrated by the deficit that they bequeathed to us and to the future generations that we are all trying to help.

Without a plan to tackle the deficit, there would be a real risk that confidence in this country's public finances would collapse, that international markets would lose confidence in our gilts, and that interest rates would start to rise. That would trigger the real catastrophe that we are trying to avoid. Everyone knows that we have to tackle the deficit. Surely no serious commentator, and

no serious politician on the Opposition Benches, would suggest otherwise. It is simply disingenuous and mischievous to claim to be a serious party of government and then to scream foul when a responsible Government take the important measures to deal with the legacy that it has left us.

The flawed thinking behind some of the payments that the Bill covers can be seen as philosophical, economic and practical. First, as a number of speakers have highlighted, the measures do not target the poorest in society; they do not, in fact, do anything to tackle the really deep and challenging poverty traps into which many people fell through the complex layers of tax credits that the former Prime Minister insisted on imposing. They do nothing to undermine the dependency on the state, which all progressives in this House now seek to try to unravel. Anyone reading the work of Professor Giddens—new Labour's philosopher-king—would understand that that is not an accident. In his seminal book—I commend it to Labour Members who have not read it—he sets about defining modern citizenship as a dependency on the state. It should be no surprise to us that the last Government took every opportunity they could to increase dependency on the state. Those of us in the coalition who want to release citizens from dependency would take issue with that philosophy.

Economically, there has been some flawed thinking. At a time when Labour Members were building up historic debt to £700 billion, some of my constituents might well have considered it something of a gimmick to set about giving back small amounts of money that the beneficiaries will not receive for 18 years in some form of apparent largesse when what people were really going to inherit was a historic deficit and all that went with it.

I defer to my hon. Friend the Member for Gloucester (Richard Graham) in respect of his earlier comments on the inefficiencies in management. I noticed in the Library briefing that management fees were running at £700 million, so it is odd to hear Labour Members defending putting money into the pockets of fund managers.

Finally, let me deal with the lack of support for these measures from independent commentators, whom we might have expected to be more vocal. When I went to the Library to find out what responses there had been to these cuts, I found two examples to which I would like to draw the House's attention. Barnardo's, commenting on the child poverty figures, said:

> "We want to see child poverty reduced to 1.7 million by 2015—the missed 2010/11 target. The Government must now play catch-up. It can be done. Our Government has made the first step, by vowing to cut child tax credits to middle income families and the Child Trust Fund. To continue on the right foot all it has to do is invest that money saved in our country's poorest children."

The report of the Child Poverty Action Group—other Members have mentioned it—provides another example. Its briefing of 2005 pointed out that the child trust fund would not benefit children until they were 18, stating:

> "Given ongoing problems with the administration of tax credits, and the much publicised inadequacies of the Social Fund, we believe it would be more appropriate and more effective to divert additional funds and administrative time and energies to improving elements of provision that are designed to support low income families rather than on a scheme which many commentators believe will disproportionately benefit higher income families."

On the grounds of the nature of the deficit we have to deal with, the flawed thinking behind the policy and the lack of support for it, it seems to me that, far from being an hysterical over-reaction, these measures are perfectly reasonable and sensible, particularly in the light of the coalition's commitment, set out in the Budget and the comprehensive spending review last week, to the retention of Sure Start, the introduction of the £7 billion pupil premium, the targeting of child benefit at the most needy families and tax credits. Some Members have already referred to them.

Alison McGovern: Will the hon. Gentleman give way?

George Freeman: I am just wrapping up.

Also important is the Institute for Fiscal Studies' analysis, showing the Budget measures will not increase child poverty. Far from being irresponsible, I suggest to the House and to people more widely, that these are regrettable, but responsible, measures from a Government who take seriously their responsibilities to tackle the deficit left by the previous Government.

7.34 pm

Kate Green (Stretford and Urmston) (Lab): This is an incredibly serious debate and I would like to address what I believe are important points raised on both sides of the House. I shall deal with all three elements of the Bill—the health in pregnancy grant, the child trust fund and the saving gateway proposals—in the context of what I understand to be important drivers for this Government, such as reducing inequalities, improving social mobility and improving child outcomes. I shall also consider the extent to which the proposals meet the Government's own fairness test.

I start with the proposal to abolish the health in pregnancy grant. There is considerable evidence to show the impact of poor maternal nutrition—during pregnancy and, importantly, prior to conception—on low birth weight, and the impact of that on a series of outcomes for child development down the line, including educational attainment and health outcomes. I certainly agree with the Conservative Members who said that a grant in the seventh month of pregnancy was not sufficiently early to achieve everything we would want to improve the well-being of pregnant women and their unborn children.

For women on low incomes, affording a healthy diet is a challenge. Indeed, women reliant on safety net benefits will, if they are under 25, have an income of £51.85 a week; and if they are over 25, £65.45 a week. Those amounts are sufficient to meet the minimum income standard determined by the Joseph Rowntree Foundation—£44 a week in order to afford a healthy diet. However, once we take into account other expenditure that has to be met out of those benefit payments—fuel, clothes, travel, personal items, insurance, utilities and so forth—it means in practice that women conceiving and bearing children on benefits could find themselves with as little as £10 a week to spend on food. Clearly, none of us could eat a healthy diet on that.

It is right, as Opposition Members have repeatedly pointed out, that despite its perhaps unfortunate name, the health in pregnancy grant has the potential to achieve much more than simply help with a healthy diet. It helps to meet a number of the costs associated with

[Kate Green]

preparing for and coping with the arrival of a new baby. Obviously, parents across the income spectrum will be grateful for any help. Although I was rather pooh-poohed by the Minister when I suggested that such a grant is likely to be spent pretty readily so it will also help the economy, there is lots of evidence to show that if we give money to parents at a time when their costs rise, they will go out and spend it quickly—they need to; there are items that they must buy. This will make a modest contribution to our economic regeneration, although that was hardly the overriding reason for introducing the grant in the first place.

Alison McGovern: Does my hon. Friend agree that this is similar to other kinds of grant such as the winter fuel payment, which we award in cash terms to get people through what is an expensive time? It is most efficient not to cross-question what it is actually spent on, but these grants are important in recognising that people go through difficult and expensive times.

Kate Green: That is absolutely right on a number of fronts. First, as my hon. Friend says, this sort of grant is designed to help with specific expensive times in the course of people's lives. It is important to recognise that specifying what it gets spent on is not necessary to ensure that it does good. In fact, there is a lot of evidence to show that if we give more money to parents, particularly to mothers, they will spend it on things that will help their kids.

I understand the concerns of Government Members about universal benefits, but this is a universal benefit. It goes to people who are financially better off as well as to those in greater need. As Opposition Members have repeatedly sought to explain, universal benefits are the most effective for reaching the poorest. They are the easiest to administer and the easiest to claim; there are no complicated cliff edges or recalculations. As such, I believe it is important to retain a range of universal benefits within the totality of support for families with children. I therefore think that the health in pregnancy grant has a useful role to play.

Even if we accept for a moment Government Members' concerns that the benefit has been poorly targeted, that is hardly a case for scrapping it outright, especially when basic benefits are too low for the poorest women to be able to afford to eat healthily before their child is born. Surely, far from seeking to abolish the benefit, an ambitious Government who were keen to improve the outcomes of the poorest families and children would want to extend its scope or consider other ways of improving the adequacy of out-of-work benefits.

George Freeman: I am enjoying the hon. Lady's speech and I acknowledge her expertise. In recommending the extension of the benefit, however, will she explain where she would get the money from?

Kate Green: There is work to be done to consider the balance of taxation versus spending cuts, as Labour Members have repeatedly pointed out. As for where the money is taken from, it is notable that the coalition Government, whether by accident or design—I suspect that it is more by accident, but I give them the benefit of the doubt—have taken more from women and children. An evening up of the way in which the spending axe fell might provide more scope.

Far from seeking to improve the financial position of some of the poorest in society—those who are reliant on safety-net benefits—some of the coalition's measures will make matters worse: the changes to housing benefit; the VAT rise, which will reduce the spending power of the poorest; and the plans to link safety-net benefits to the consumer prices index, which will, over time, significantly reduce the value of those benefits to low-income families, and will therefore have an impact on the disposable incomes of the poorest women before conception, during pregnancy and after birth. I urge Government Members to think about how they would address that.

Chris Williamson (Derby North) (Lab): Does my hon. Friend agree that the policies pursued by the Con-Dem coalition will lead at best to the economy growing slowly, and at worst to a double-dip recession, which will result in a much lower income tax take for the Exchequer? Our proposals to improve and support growth in the economy would generate the tax revenues that would enable us to fund schemes such as the health in pregnancy grant.

Kate Green: Absolutely. Although you will not want this evening's debate to extend into the whole range of economic policy, Mr Deputy Speaker, clearly, a strategy for growth and increasing tax receipts will be vital to protect the poorest families.

Sarah Newton: I, too, appreciate the hon. Lady's expertise, but I must point her to the growth in the UK economy, which I hope she is reading about in the newspapers. We should celebrate the fact that we have the second-fastest growth rate in the G20.

Kate Green: I very much welcome the growth in the UK economy in the third quarter of this year, but, with respect, it is early days for Government Members to take all the credit for that. I suspect that it was the fiscal stimulus put into the economy by the previous Chancellor of the Exchequer that underpinned the ability of businesses to continue to hire and of people to stay in work. All Labour Members genuinely hope that that long tail effect will continue, but we feel that it is at risk.

On the savings aspects of the Bill, I cannot understand the Government's logic, given their stated ambitions to reduce inequality and to encourage a savings habit and, in the case of the Secretary of State for Work and Pensions, the strong focus on helping people to reduce and stay out of debt. The child trust fund and saving gateway have helped low-income savers to acquire a savings habit and have assisted their money management. As child poverty has fallen since 2005, the child poverty impact of the measures is beside the point, because they have not diverted money from successful strategies to tackle child poverty, but are in addition to those strategies. They were intended to take on board the evidence of the protective effect of having an asset, which is especially important in social mobility.

Cathy Jamieson: Does my hon. Friend agree it is vital that looked-after children have that asset built? Given that their parents are not in a position to do that, we

have a responsibility, as corporate parents, to find another way, if the Government will not reinstate child trust funds.

Kate Green: I hope that Conservative Members and the Minister will hear that contribution in the spirit in which we all feel it. This country has a poor record on outcomes for looked-after children, who enter adult life singularly poorly provided for financially. The child trust fund was a small step towards beginning to rectify that. As my hon. Friend says—and I hope the Government heed this—if the child trust fund is no longer to be the mechanism through which looked-after children are given some sort of nest egg with which to embark on adult life, I hope that Ministers will look for another way to secure the financial futures of such children. It is not sufficient to say that we will improve education, health and Sure Start support, important though those are. Plenty of evidence shows the importance for young people, especially those from disadvantaged backgrounds—and looked-after young people most of all—of having a financial asset behind them.

The hon. Member for Gloucester (Richard Graham), who I am sorry is no longer in the Chamber, cited the briefing that some Members had received from the Save Child Savings alliance. I was struck by the numbers he shared with us: 4.5 million child trust fund accounts are open; £2 billion is under management; and £22 million a month is saved in those funds. That is a lot of money being saved and set aside for our children's futures. I strongly urge the Government to take note of that success. The vast majority of families saving are on modest, medium or lower incomes, certainly of less than £50,000, and many of them on much less. The hon. Gentleman mentioned that, I think, 24% of families were not saving at all. He is right to draw attention to the position of those families, but I question what they will save with instead, if we remove the child trust fund. If the Government do not save on behalf of the poorest children, I very much doubt that a tax break, for families who probably do not pay tax anyway, will suddenly magic up savings for the poorest children. I ask the Government to address that point.

The child trust fund is well targeted for its purpose, which is to deliver an asset to young people as they start out on adult life. Better-off families can afford to support their children with university fees, renting their first flat, buying their first car, perhaps starting a business, having a gap year—all markers of social stability, and therefore at the heart of what the Government rightly want young people from low-income backgrounds to be able to participate in. I am genuinely at a loss to understand why a Government who repeatedly, and unjustly, lambast Labour's record in relation to social mobility and inequality, should totally dismantle a savings vehicle that has the potential to reduce inequalities, and instead propose a savings vehicle that will widen those inequalities by benefiting only those who are better off.

I am just as puzzled by the Government's attitude to the saving gateway. Pilots in different parts of the country have shown that, coupled with outreach and money advice, it helped to support a savings habit, provided low-income families with a cushion enabling them to cope with crises, allowed them to build up modest assets over time, and made possible additional savings that would not have been possible otherwise.

I am surprised—more than surprised; indeed, I am shocked—that a Government who are happy to extend tax breaks to savers and to maintain them on ISA savings, pension contributions and inheritance tax will not provide support to boost the savings of the poorest. I ask Ministers how that can possibly be fair.

Alison McGovern: I thank my hon. Friend for giving way again. She is making a comprehensive and excellent speech. Does she agree that what the financial services sector needs now are additional deposits, and that offering tax breaks to those who are already saving will not be half as effective as continuing programmes which, according to all the evidence, produced those additional deposits and improved the savings culture?

Kate Green: I think that the Government should be very wary about dismantling a scheme that has generated additional savings, for exactly the reason that my hon. Friend has given.

What concerns me most is the impact of the Bill on the Government's commitment to reducing inequality. We already have a significantly unequal distribution of assets. Up to 20% of households have no assets at all. The highest-earning 10% hold half the assets, and two thirds of households have savings of less than £3,000. I accept that we are not handing on a proud record to the incoming Government, but I would have expected them to conduct a rigorous equality impact assessment of their own proposals as a result of their determination to do a little better than that.

The equality impact assessment that accompanies the Bill is thin in the extreme. It fails in any way to recognise the lower earning power in the labour market of women, disabled people and members of ethnic minorities: a lower earning power that translates into a lesser ability to set money aside in savings, and ultimately, therefore, into lower asset holding. Its analysis of the saving habits of members of ethnic minorities is scanty, although research from the Runnymede Trust would have informed the Government quite quickly that at least 60% of Asian and black British families have no savings at all. The fact that that is twice the number of white households in the same position should concern us greatly.

Sarah Newton: I am just as passionate about the inequalities in our country as Labour Members, and I am sure that I speak for all Conservative Members. Our drive to enter politics was prompted by a wish to end the vast inequalities that have arisen over the past decade. Does the hon. Lady agree that the best way to help people to help themselves in that regard is through education and employment?

Kate Green: It is not a case of either/or. We should be doing everything possible. We should be maximising families' financial stability and security through education, employment and a redistribution of income and wealth.

One misconception should be properly analysed. It is absolutely not the case that inequality rose exponentially under Labour. In fact, it more or less flatlined. It rose a bit during the last couple of years of Labour government, but according to the Institute for Fiscal Studies—admittedly not the Government's favourite think tank—without the measures taken by Labour between 1997 and 2010,

[Kate Green]

given the trends experienced under the previous Conservative Government, it would have been very much worse.

The hon. Lady and other Members on the Government Benches are right to say that we are all anxious to reduce inequalities; what I do not understand is how on earth the Government think that proposals of this kind will do that. How on earth do they think that removing the saving gateway will address the gender inequality involved in the fact that women have 40% less in savings than men? How on earth do they think that removing the child trust fund and the saving gateway—benefits that provided extra money or extra access for people with disabilities—will deal with the inequality of disabled people?

John Hemming (Birmingham, Yardley) (LD): The hon. Lady asks how on earth the Bill will reduce inequality. It will do so by removing universal benefits and replacing them with targeted benefits.

Kate Green: First, let me remind the hon. Gentleman of what I said earlier about the effectiveness of universal benefits in reaching the poorest. Secondly, even if we accept the hon. Gentleman's contention on its own terms, it does not provide a case for abolishing those benefits. It may provide a case for retaining the existing structures and targeting them for a time. Obviously I do not want that to happen—I want us to maintain as much universal support as we can—but at the very least I ask Government Members why they want to rip the whole thing up and throw it out, rather than trying to target it more effectively.

John Hemming *rose—*

Kate Green: I will not give way, because I am about to end my speech.

I urge the Government to reconsider their proposal to abolish these benefits. I ask them to examine ways in which they might be able to maintain structures that have been effective, and have the potential to continue to be effective, in supporting the poorest families in the immediate future and—this is also important—in the longer term. Unless they come up with credible alternatives to reduce and remove income and wealth inequalities, I will not support their proposals, and I will not support the Second Reading of the Bill.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. As hon. Members will have just observed, a number wish to speak in the debate. The winding-up speeches will begin at 9.40 pm. If everyone is to have an opportunity to speak—and I know that a number of Members have been present throughout the debate—I must ask those whom I call to exercise time restraint so that their colleagues can contribute as well.

7.56 pm

Jacob Rees-Mogg (North East Somerset) (Con): Thank you for calling me, Mr Deputy Speaker. I feel slightly guilty that you have had to do so three times in almost as many days. I assure you that I am not modelling myself on Psmith—with a silent "P"—and his haunting of John Bickersdyke, which you will remember from the book "Psmith in the City". I am really not trying to do that, and I will be as brief as I can while discussing this important Bill.

Benjamin Disraeli famously said that the job of the Opposition was to oppose, and we have seen that today. Indeed, we have seen it all afternoon. We have seen rather specious opposition to the Bill. Whenever the subject of where the money is to come from arises, there is no answer. VAT should not go up to pay for our bills; benefits should not be cut to pay for our bills; so we must spend, and we must have no increase in taxation. What happens to the nation's finances at that point? What happens to the national debt? What happens to the deficit? We go down the sorry road towards bankruptcy. That really is what Opposition Members have been arguing for. It is the "do nothing" school; the argument that, like Nero, we should fiddle while Rome burns.

Chris Williamson: Will the hon. Gentleman give way?

Jacob Rees-Mogg: I should be delighted.

Chris Williamson: Will the hon. Gentleman at least acknowledge that before the economic downturn, the debt ratio in this country was lower than the debt ratio that the Labour Government inherited in 1997? The fact is that it was the Labour Government who introduced measures to keep people in their homes and in employment, and to prevent the appalling circumstances to which ordinary working people were subject in the 1980s when the hon. Gentleman's party cast people aside.

Jacob Rees-Mogg: The hon. Gentleman's point is fundamentally flawed. In 1997, the socialist Government decided to stick to Conservative spending targets. That is the one sensible decision that they made. It is not surprising that they managed to reduce the public debt by doing what the Conservatives had said that they would do. As for the deficit that built up before the crisis hit, there was a structural deficit—probably equivalent to 7% or 8% of GDP—which had resulted from excessive and extravagant expenditure. That is the nub of what we are debating today. We need to examine these benefits, and establish whether they are right in principle.

I will declare an interest. My three children have been the fortunate beneficiaries of £250 each—£250 spent extraordinarily well, Members may think, beneficially and wisely, so that in 18 years' time my children will have something to spend when they are a little older. Is this really a sensible use of taxpayers' money? It is too small a sum to make a difference even with the benefits of compound interest, yet too large a sum for our public finances to stand when aggregated across the whole of the economy and the total number of children who will be born. It is a wrong benefit, which is rightly being abolished. To contradict the hon. Member for Stretford and Urmston (Kate Green), who spoke before me, it is also a benefit that cannot be spent for 18 years; it will be of no economic benefit until the child is 18.

Kate Green: I apologise if I have misled the hon. Gentleman, but what I said was that the health in pregnancy grant would be spent immediately. I absolutely

accept that the child trust fund moneys are locked up until the child reaches the age of 18.

Jacob Rees-Mogg: I thank the hon. Lady for that useful clarification.

The health in pregnancy benefit is paid to ladies towards the end of their pregnancy so that they can eat properly. Again, my wife was entitled to it. I have in the past been mobbed up somewhat on nannies and issues relating to that subject, but the one type of nanny of which I most firmly disapprove is the nanny state. This patronising approach, saying to these ladies, "You ought to eat your greens and here's some money so you can do so," is not what government is about. The Government are here to allow people to lead their lives as freely as they possibly may, without interference from the state while also providing a safety net for those who fall on hard times, not to tell people how to lead their lives, at the expense of the taxpayer and the economy.

Catherine McKinnell: Does the hon. Gentleman agree that a "lady" of very low income who finds herself pregnant and expecting her baby in three months' time will have increased expenditure relating to both the pregnancy and the upcoming birth?

Jacob Rees-Mogg: The hon. Lady makes a brilliant and inspired point with which I completely agree, and it is therefore wise to ensure that such benefits as there are are directed to the people who need them, not wasted on people who do not need them. *[Interruption.]* If the hon. Member for Nottingham East (Chris Leslie) wants to say something, I am more than happy to give way.

Chris Leslie (Nottingham East) (Lab/Co-op): The Bill does not achieve what the hon. Gentleman wants, however. While I am on my feet, may I ask him whether he knows how many children in the United Kingdom are born with spina bifida each year, possibly as a result of a folic acid deficiency?

Jacob Rees-Mogg: The hon. Gentleman says the Bill does not say where the money is going to be spent, but that is an absurd point to make because the public finances are in such a weak condition that, at this moment, money needs to be saved. The first principle for the Government—their first ambition and intention—must be to get the finances of this country on to a stable footing so that they can then, with economic growth, ensure that the money is there to help people in the future.

Sarah Newton: I quite understand that the hon. Member for Nottingham East (Chris Leslie) might not know about this—his partner may never have had a child—but folic acid should be taken before and during pregnancy to avoid the dreadful condition he mentioned, and all the supplements are available on the NHS.

Jacob Rees-Mogg: My hon. Friend makes an extraordinarily good and important point. The payment of this £190 comes too late in the process to be of benefit to people whose children may be at risk of spina bifida.

Chris Leslie: I would be surprised if many mothers—I certainly include my wife in this, when we were having our daughter—were able to discover that folic acid is available on the NHS. A multivitamin and folic acid supplement costs about £10, I think. Do the hon. Gentleman and the hon. Lady really think it is absolutely essential that these women having children should potentially be deprived of help to pay for that folic acid supplement because of this deficit reduction strategy?

Jacob Rees-Mogg: As my hon. Friend the Member for Truro and Falmouth (Sarah Newton) wonderfully and accurately pointed out, the hon. Gentleman had got the wrong part of the pregnancy; we have to go back, not forward.

Sarah Newton: The whole issue of maternal health is incredibly important. The problem with this benefit is that how the mum is to spend the money is completely unspecified. There is absolutely no guarantee whatever that the money will be spent in the way that has been suggested. It is far better, therefore, that a mum is supported through comprehensive care in the NHS so that she is informed of the choices and provided with the resources to enable her and her baby to thrive.

Jacob Rees-Mogg: My hon. Friend is absolutely right and spot on. That is a most helpful intervention. There is no point in giving money late in the day to everybody—those who need it and those who do not need it alike—for an unspecified purpose when other ways of spending money may prove to be more useful.

Kerry McCarthy (Bristol East) (Lab): The hon. Gentleman is saying that benefits should be targeted rather than universal and that they should be for a very specific purpose—that the state should dictate what the benefit money is spent on, which contradicts what he said earlier about the nanny state. Given his support for targeting benefits, how does he justify the Government's continued support for the winter fuel allowance?

Jacob Rees-Mogg: The winter fuel allowance goes to the elderly, many of whom will have paid full national insurance contributions, and it is therefore in some sense a recompense for what they have paid in. I think that to look after the old in society is an important and virtuous thing to do. It is right to give that help so that people can be warm in their homes, but we are talking at present about £250 for children when they are born that will give them a pitiful amount a few years later. We are talking about £190 given to every woman who is going to have a baby for no necessary benefit to her because she may not need the money or it may be received too late for her to address some of the problems referred to earlier. Those two benefits are therefore unnecessary and wrong.

The third benefit is the Government's matching of personal savings, and there is a misconception here. Saving from a deficit is a dis-saving to the economy because there are costs associated with allocating that saving. To put that more simply, if someone borrows money from one account to put into another account they will pay a higher rate of interest on their borrowings than they will receive on their savings so, net, the country is dis-saving by topping up savings accounts. Opposition Members are therefore wrong to say that this is an encouragement to saving.

[Jacob Rees-Mogg]

We need to look at all that is being done in the broader context. We have this phenomenal deficit—our highest peacetime deficit—which the Government have, in a workmanlike and serious-minded way, decided to tackle. They have decided to bring the deficit down so that we may have the conditions for economic growth. The essence of good government and of a sensible Treasury policy is to ensure that there are the conditions where business can thrive, jobs can be created and money can cascade through the economy. That is what really lifts people out of—

Chris Williamson: Will the hon. Gentleman give way?

Jacob Rees-Mogg: Of course I will.

Chris Williamson: The hon. Gentleman referred to job creation. Will he therefore comment on the fact that almost 500,000 jobs will go in the public sector as a direct consequence of the comprehensive spending review, followed by a further 500,000 jobs at least to go in the private sector? How does the hon. Gentleman square that circle?

Jacob Rees-Mogg: I am not going to try to square circles, which I believe is not possible, but those figures are fundamentally contentious, and it is also worth bearing in mind that outside the private sector the country has no income. Every penny spent by the Government either has to be raised in taxation or borrowed.

Chris Williamson: Is the hon. Gentleman therefore contesting the figures of the Office for Budget Responsibility?

Jacob Rees-Mogg: The hon. Gentleman knows the figures are contentious because he cited the figure of how many jobs will go in the private sector, but he is ignoring the jobs that will be created. We find ourselves in the extraordinary situation that 700,000 public sector jobs were created by the last Government without the money to pay for it. We cannot run a system under which we employ people and pay them what are essentially tokens because we have no real money. Are we to follow California and pay servants of the state IOUs because there is no proper currency with which to pay them? Are we going to so debauch our currency and print even more of it that there are no funds with which to pay people? Are we going to destroy our gilt market so that the Government are unable to raise money? No, Her Majesty's Government have been brave, courageous and right, and they have taken tough decisions. They have taken decisions mocked by Labour Members because they dared not do this; they talked quietly in secret rooms about how much they were going to cut. These cuts then get leaked in the newspapers because Labour Members dare not come boldly to this House to say what they want to do.

Chris Williamson: I beg your pardon, Mr Deputy Speaker, and that of the House for continuing to intervene on the hon. Gentleman, but I cannot allow him to get away with his remarks. I wonder whether he studied history at all when he went to school and university, and whether he would care to ponder on what happened in the 1930s in America, when its plans put people back into work, compared with what happened then in this country. The prospectus that is being followed by this Administration was similar to what was done in the 1930s and saw mass unemployment.

Jacob Rees-Mogg: I am grateful to the hon. Gentleman for his kind and helpful intervention, because I happen to have with me some economic data from the 1930s. I believe they will prove helpful because they are from the United Kingdom. It is a common error—if I may say so, it is a schoolboy error—to confuse the situation in the United Kingdom with that in the United States in that decade. In 1931, public spending in the United Kingdom was £1.174 billion, a figure that had been cut to £1.061 billion by 1934. Unemployment peaked in 1932 and gross domestic product grew from £4.399 billion in 1931 to £4.813 billion in 1934. So there was a percentage cut of nine-odd per cent. in public spending accompanied by a 9% rise in GDP, and unemployment peaked long before the cut in public spending was at its maximum point.

So in fact this Government are rightly following what the British Government did in the 1930s, and the key thing, which I will give credit to the Labour Government for, was coming off the gold standard. In 1931, having an active monetary policy meant that the economy could grow even while public spending was being cut. Her Majesty's previous Government, the one that she dispensed with on 6 May or thereabouts, allowed the pound to fall so much and allowed the Bank of England to ease quantitatively—or print money, to put it in less jargonistic terms—that the increased money supply created the conditions where this Government can and must cut fiscally, and can have economic growth and falling unemployment. We are already seeing some of the fruits of that coming through in the figures announced today.

Gregg McClymont: I was listening closely to the hon. Gentleman's comments. Given what he was saying, will he support a further round of quantitative easing if that is necessary to stimulate the economy, given the possibility of a prolonged—

Mr Deputy Speaker (Mr Nigel Evans): Order. This is going rather wide of the mark and now may be an appropriate time to remind colleagues that we have the wind-ups at 9.40 pm. I would be grateful if Mr Rees-Mogg could show some restraint, as well as everybody else that follows.

Jacob Rees-Mogg: I would have finished by now, but I have taken a number of interventions, which it is a privilege to do. *[Interruption.]* It is a privilege, because the interventions are very interesting and they allow us to get to the nub of this difficult matter. Of course it is not popular to take something away. Of course it is easy to stand up raging about £190 being taken away from women who are about to be pushing prams. Of course the decision to take £250 away from their children is a hard one, but it is right, because the country cannot afford this. If the economy is to grow, we must have sound public finances. If that happens and if people can keep their own money, rather than have it taken from one pocket by the Government to be put into another pocket by another Department of the same Government,

we can get economic growth and we can see what we saw in the 1980s, when the economy boomed, individuals got increasingly prosperous and Britain was back among the top world nations. That is what I want to see, that is what the Government are doing and that is why I am thrilled to be supporting the Bill.

8.14 pm

Simon Danczuk (Rochdale) (Lab): I wish to turn my attention to the child trust fund, in particular, and to start by quoting the Chancellor. In a speech made just 12 months ago to the Conservative party conference, he said:

"We should continue paying them to the poorest families who often have no savings, and encourage them to use them more".

As we have heard tonight from Conservative Members, many of them believe that the benefits we are discussing tonight should not be universal and that we should target them much more closely. That has been a common theme throughout this evening's debate.

Only the Liberal Democrats have never really been in favour of the child trust fund. They have continually proposed to scrap it, although they have not had the decency to turn up to this debate in number. So we have to ask ourselves what the situation really is. Who is the driving force in the coalition Government in terms of punishing the poor? Is it the Conservatives, who want to target their benefits more closely, as we have heard today, or is it the Liberal Democrats, who are happy and enthusiastic about increasing VAT, raising tuition fees and cutting the child trust fund?

The reality of the Chancellor's logic in scrapping the child trust fund is that the most vulnerable will be hit hardest. I can tell colleagues that the child trust fund is neglected in terms of the attention it gets, as has been shown by Conservative Members during today's debate. The fund is a very important tool to encourage saving, particularly for the less well-off. I know that from speaking to parents across my constituency, particularly mothers. It has continually encouraged them to start saving on behalf of their children and it has started them thinking about the future for their children. We cannot underestimate the importance of the child trust fund in that regard. Although I readily accept that what children will receive is between £500 and £1,000, which is never going to pull people out of poverty in a short time, there is absolutely no doubt that it has been a catalyst to get people to start saving. As has been said, it has also encouraged families and friends to start contributing to the savings of young children.

I have described the trust fund as one of the best hand-ups, rather than handouts. As has been said, the Save Child Savings alliance has described the child trust fund as

"the most successful saving scheme ever."

There is irony in the Government cutting the child trust fund at this time, because one of the key reasons for its introduction was to encourage people to engage with financial institutions. People are suspicious of such institutions and, if ever there were a time when we needed to encourage them, it is certainly now. Yet, the Government are scrapping this initiative and the other initiatives dealt with in this Bill, which actually encourage that engagement.

The Government's decision to scrap the child trust fund will, in effect, create a situation where—we heard about this just before I spoke—the elite in society will be continually pumping and stashing thousands of pounds into the personal, private child trust funds that many of the wealthy already have. That dichotomy will continue. What we will have in poorer communities—in parts of Rochdale—is poor families who will be unable to get that start in life for their children, with no £250 or £500 to kick-start their saving. Although the wealthy will continue to have their opportunities in life, the poorer and more vulnerable will not have those opportunities. Come 18, when the children from the wealthier families have the chance to have a good time at university and have a better opportunity to go off on a gap year, to buy a car or take driving lessons, which is all well and good, the reality for the poorer people and the more vulnerable, whom we often see in Rochdale, is that because of these cuts, which could have been avoided, they will not have those opportunities. They are being taken away from them by the Conservatives, ably assisted—especially in this instance—by the Liberal Democrats.

The contrast could not be more obvious. In many respects, the axing of the child trust fund defines the differences between the Labour Government and the coalition Government. The Labour Government were intent on providing a hand-up and not a handout, whereas the coalition Government are not prepared to provide either a hand-up or a handout.

Harriett Baldwin (West Worcestershire) (Con): I am trying to follow the intellectual train of the hon. Gentleman's very powerfully expressed argument. I noted that it had something to do with targeting and Liberal Democrats, but perhaps I am picking up the wrong sequence of words. He started with an eloquent argument in favour of universal benefits. Does that mean that he is in favour of continuing to give these grants to my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg)?

Simon Danczuk: I will be quite clear about the position I take in that regard. Let me clarify my point: I was stating that many Conservatives have identified tonight that they do not believe in universal benefits and that they are prepared to have more targeted benefits. If that is the case, why did they not put that in the Bill? That is the reality. My point is that the only people in the coalition Government who want to scrap the benefits altogether are the Liberal Democrats, so is it the Liberal Democrats who are pushing the Conservatives more to the right, towards scrapping benefits completely?

This type of Bill, like the CSR, will confirm to the people of Rochdale that the coalition Government are not on the side of fairness, but are on the side of the wealthy.

8.23 pm

Alex Cunningham (Stockton North) (Lab): Despite what we have heard from those on the Government Benches tonight, it is still very clear that with today's Bill, the coalition will deliver yet another blow to hard-working families and the most vulnerable.

The Prime Minister said he wanted this Government to be

"the most family friendly Government we've ever had in this country".

[Alex Cunningham]

So, I want to know why the coalition is again hitting hardest families with children. That is not my analysis or the analysis of my colleagues on the shadow Front Bench, but the conclusion of the Institute for Fiscal Studies. The Deputy Prime Minister spent last week attacking that much respected think-tank for daring to tell the truth about the coalition's damaging cuts, describing its methods of measuring the fairness of the controversial spending review as

"distorted and a complete nonsense"—

but that is what is nonsense. The Deputy Prime Minister argued that the rich will pay the most as a result of the spending review and that anyone who argues otherwise is "frightening people".

Perhaps I could refer the Deputy Prime Minister and other Ministers not to the latest IFS report but to the Christian Bible and the story of the widow's mite. It will be familiar to many, and tells the story of a widow quietly giving her last mite to the temple while a rich man makes a great show of handing over a considerable sum, but a sum that is insignificant as part of his overall wealth. It seems that the poor in our country need to give their all and stay quiet, too.

Although the rich of this country might pay more both in terms of actual cash and as a percentage of their overall income than those on the lowest incomes, their pain will be negligible in comparison with that of a family in my constituency who might lose £10 or £20 a week, which could be the difference between feeding themselves properly and missing meals. I doubt that they will be quiet, like that widow, when they have nothing left and still have mouths to fill.

Hard-working families in my constituency do not need Labour MPs or the Institute for Fiscal Studies to frighten them; they can see for themselves the damage that the coalition Government are doing. They remember how Teesside suffered under the last Tory Government and they are frightened that the Government are cutting harder and faster than we have ever seen.

Others have highlighted these points. We have heard about the cuts to child benefit, cuts to housing benefit, the scrapping of the education maintenance allowance, and the cut to the child care element of working tax credit that equates to a loss of up to £1,560 per year for families who are already struggling with the burden of extortionate child care costs.

Harriett Baldwin: Does the hon. Gentleman agree with the helpful suggestion made by my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) about the fact that these grants have been going to people like him? He argued for a change in favour of more fiscal rectitude, which would mean that children growing up in the constituency of the hon. Member for Stockton North (Alex Cunningham) would not have such a burden of borrowing in the future.

Alex Cunningham: I think that the point that the hon. Member for North East Somerset (Jacob Rees-Mogg) made was that perhaps families such as his do not need that sort of income. If he wants to forgo it, that is all well and good, but there are hard-working families in my community that need that money.

Let us add to all that the impact of the 27% cuts on local authorities and the effect that will have on services, including initiatives such as breakfast clubs, and again we see the family under attack. In the north-east, we already know that family dependency on benefits will grow, with some 43,000 public and private sector jobs lost over the next few years. People will see few jobs for them to chase as unemployment undoubtedly soars.

Today, the Government attack again. I object to the scrapping of both the child trust fund and the saving gateway and I believe the Government are making a big mistake by getting rid of them.

Gavin Williamson: The hon. Gentleman strikes me as a very enlightened individual, and I am sure that he is very aware that every Government have to make difficult choices. If he were to keep these areas of expenditure going to fund the benefit, what areas of Government expenditure would he cut?

Alex Cunningham: Personally, I would raise taxes in order to ensure that we could maintain this provision, and the bankers are a good place for us to start.

Gavin Williamson: Will the hon. Gentleman give way?

Alex Cunningham: No, I will not.

Both the child trust fund and the saving gateway were Labour initiatives, put in place by a party that understands the importance of fostering a culture of saving. Asset-based welfare can make a huge difference to the opportunities of the least well off in this country who often do not have access to the resources that many others are lucky enough to have, whether through inheritance or the generosity of family or because they recognise the importance of saving a little of their salary each and every month for a rainy day. The saving gateway aimed to encourage those from low-income households who do not save, for whatever reason, by promising the incentive of a Government contribution of 50p for every pound saved over the two-year life of the account. It had been trialled, and was due to be rolled out across the country in July.

We will not see the difference that the saving gateway would have made to thousands of low-income families at the relatively tiny cost to the Government of £100 million a year. The response to the trials was largely positive—one pilot saw the number of people saving rise from 16% to nearly 80%. In total, more than 22,000 people took part in two successful pilots, achieving more than £15 million in savings. Those people demonstrated that the scheme could generate both new savers and new saving, because individuals continued to save beyond the end of their gateway accounts.

Encouraging people to save promotes self-reliance and stability, allows long-term planning and provides security from sudden financial shocks. Saving just a few pounds a month makes a person feel in greater control of their life, and it can be transformative and provide a psychological boost. The difference that that can make to families and their quality of life should not be underestimated.

Sarah Newton: You are making a very powerful speech for us this evening, and I completely agree with you about the importance of savings and of encouraging a

savings culture. However, I am rather disappointed by the glib response to my hon. Friend the Member for South Staffordshire (Gavin Williamson), who asked how Labour Members would pay for those benefits. Every time that question is raised, Labour Members say that we should tax the rich. What calculation has the hon. Gentleman made of the effect of increasing taxes to 70%, 80% or 90%? Is that where you would like to go? And what estimation—

Mr Speaker: Order. I gently say to the hon. Lady, first, that I am not going anywhere—the debate goes through the Chair—and, secondly, that interventions from now on must be short, because there is a lot of pressure on time and several hon. Members want to contribute.

Alex Cunningham: I have never had a problem with taxing the rich a little bit more. If that means a penny on income tax, I would be fine with it, although I do not know what encouragement I would get from my Front Benchers.

Gavin Williamson: Will the hon. Gentleman give way?

Alex Cunningham: No, I will not. We need to raise taxes and target the results at the poorest people.

I hoped that the saving gateway would squeeze some of the doorstep lenders out of low-income communities, which is an issue close to my heart. Those companies charge outrageous interest rates, and if people had some money saved for a rainy day, such monsters would see their customer base shrink.

I also want to speak out in defence of the child trust fund, which acts as an incentive to save by adding to a Government contribution of either £250 or £500 at birth depending on a family's income. The child trust fund was well established, having been introduced for all children born since September 2002. At a cost of around £500 million a year, including additional contributions when a child reaches the age of seven, this universal yet progressive fund ensures that all children, regardless of their family income, have a pot of money that they can access at the age of 18.

According to the Save Child Savings alliance, some industry data suggest that the child trust fund has seen the number of people saving for their children's futures almost treble. More than £2 billion is currently being held in child trust funds. That form of asset welfare opens doors to young adults, particularly those from low-income families. No young person has yet benefited from this fund—the first recipients are just eight years old today—but I would have hoped that when they can start accessing it in 10 years' time, that money would go some way to improving social mobility, which is an issue that some hon. Members highlighted earlier.

A policy that spreads wealth to the asset poor should be backed by anyone who is dismayed by the lack of social mobility in the UK today. Yes, education plays a major role in tackling that problem, but so do assets, which is something that the Liberal Democrats have failed to address in recent years. The Deputy Prime Minister spent some of the summer discussing the Government's programme for social mobility, but this measure goes against it. The child trust fund was one way in which the previous Labour Government hoped to tackle this issue, and scrapping it will be a step backwards.

At a time when the coalition proposes to increase university tuition fees, I would have thought it wise to defend child trust funds as one way in which young people could choose to shoulder at least a tiny bit of the burden of those costs. Even if they do not go to university, any funds available to 18-year-olds must give them a better start in life, which the better-off take entirely for granted. It may only help to fund their driving lessons, but that will give them the mobility and employability which would otherwise be denied.

Instead, having promised huge and unnecessary cuts over the next four years, the Government must cancel valuable programmes that are relatively inexpensive. Scrapping the child trust fund is a decision made with an eye on the short-term political goal of cutting the deficit, not the long-term responsible goal of encouraging families to save for their children's future. The age group facing the most debt is 16 to 34-year-olds. Surely a responsible Government should be seriously considering measures to help the next generation of young people, particularly given that university fees are set to rise to eye-wateringly high levels.

The Government are intent on pressing ahead with these family cuts, but when will the Minister tell us how the plans to fund and retain the infrastructure of the fund, to enable contributions to be restarted when the economic position improves, will work? I am told by the Save Child Savings alliance that it would cost £2 million a year to do so—a very small fraction of the total overall cost. There is an alternative to these draconian cuts, despite what the coalition says. Labour would deal with the deficit by halving it over four years. Yes, there would still be cuts, but we could cut carefully and always with an eye on the human impact. I am not confident that I can say the same about the coalition.

Several hon. Members *rose—*

Mr Speaker: There is no formal time limit on Back-Bench speeches in this debate, but it might help the House if I mention that no fewer than nine hon. Members—all, as it happens, on the Opposition side of the House—are seeking to catch my eye. The Front-Bench winding-up speeches will begin no later than 9.40 pm. I know that hon. Members can do the arithmetic for themselves and I am sure that they will want to help each other.

8.36 pm

Diana R. Johnson (Kingston upon Hull North) (Lab): Let me start by addressing a point that the hon. Member for Mid Norfolk (George Freeman) made. He implied that there was no glee on the Government Benches last Wednesday at the comprehensive spending review announcement, but I was in the Chamber and I clearly remember the cheering and waving of Order Papers when those vicious cuts were announced.

Ben Gummer (Ipswich) (Con) *rose—*

Diana R. Johnson: I am not going to give way.

I also take issue with the hon. Member for North East Somerset (Jacob Rees-Mogg), who reminded me very clearly why I am on the Opposition side of the Chamber and of my commitment to a modern, enabling

[Diana R. Johnson]

welfare state that not only meets needs but opens opportunities to the poorest and extends people's life chances and opportunities. Those were key objectives of the progressive politics behind the child trust funds, the saving gateway and the health in pregnancy grant. I want to tell hon. Members why, for my constituents, the decision of the Liberal Democrats and the Tories to scrap these three policies is short-sighted and fundamentally wrong.

I have heard Ministers and Government Members talk at length about the economic environment and about cuts being inevitable, but the cuts disproportionately affect children and families, and that is not fair. All the decisions that the Government side is making are choices of the coalition Government. The cuts are not inevitable: the Government are taking those decisions. They decide where to allocate funding and what their priorities are—and their priorities clearly are not women and children.

We have also heard a lot from Government Members about wanting to target benefits more, but that is not what the Bill is about. It is about the wholesale scrapping of three important policies. As an MP in Hull, I know only too well that people often struggle to provide for their families on a day-to-day basis. They often live week to week, juggling as best they can paying bills and meeting their commitments. In Hull, the average household income is just £21,623 compared with the English average of £35,544 and the Yorkshire and Humber average of £29,902. Since 1997, there has been a 5% increase in average household income, but it is still a low-income area. The opportunity provided by child trust funds of a savings vehicle for Hull children and a nest egg for young adults is something that many families have never been able to provide no matter how much they wished to do so.

A few years ago I held a child trust fund surgery at a children's centre in my constituency—it is worth reminding Government Members that there is no ring-fenced funding for Sure Start, so we will wait to see whether those centres continue—and there was clearly a lack of financial literacy among many of the parents to whom I spoke. The child trust fund provided a real opportunity for families to think about finances and about having some capital set aside for their children when they reached the age of 18. Many families are able to save regularly for their children so that there is a capital asset that their children can use when they reach 18 to pay for driving lessons, buy a car or pay for higher education. Having assets and savings is something that more privileged people, such as the 20 millionaires in the Cabinet, take for granted, but in my constituency that is not the case. That is why the child trust fund was such a good idea: it was universally progressive—I am glad that we have been able to teach Government Members what that means—as poorer children received more.

Cutting the child trust fund and cutting the saving gateway are just two examples of how the coalition's spending review attacks families, and attacks women and children from poorer backgrounds with special venom. They have already seen child benefit frozen and cuts to the child tax credit, and in the comprehensive spending review the education maintenance allowance is going, there are higher tuition fees for universities and now there will be tuition fees in further education colleges. The pupil premium, the Deputy Prime Minister's fairness fig leaf, turns out not to be new money within the schools budget, and will do little to mitigate cuts in schools, including the switch of funds to free schools. There will also be cuts to local authority budgets, particularly in children's services. We have heard lots of warm words on the coalition Benches about looked-after children, but looked-after children are paid for out of local authority budgets for children's services, so let us see what the outcomes are for those looked-after children after the 30% cuts to local government finance.

To be fair, before the general election, as my hon. Friend the Member for Rochdale (Simon Danczuk) pointed out, the Lib Dems made it clear that they wanted to abandon and abolish the child trust fund. Even though the Conservatives had indicated that they wished to make the fund more targeted, the Bill would scrap the whole lot.

The coalition of those who now say that a child trust fund, or something very similar, should be reinstated includes the Daycare Trust, the Family and Parenting Institute, the National Childbirth Trust and think-tanks such as ResPublica, whose director Phillip Blond is often in the media as the red Tory mentor of the Conservatism of the right hon. Member for Witney (Mr Cameron). Abolishing the child trust fund will be a regressive measure, and will not promote social mobility and equality of opportunity—something that Conservative Members go on and on about. This measure will not deliver that for them. It will also be a backward move.

Many of those groups argue that we should promote a savings culture. It is ironic that when the Secretary of State for Business, Innovation and Skills, the right hon. Member for Twickenham (Vince Cable), was on the Opposition Benches he used to speak at length about the need to promote a savings culture in this country, and yet he is part of a Government doing exactly the opposite. That links in with the saving gateway policy—a scheme that was successfully piloted in Hull. It was designed to promote a savings habit among people on lower incomes, with the Government incentive that every pound saved by an individual would be matched, and to encourage people to engage with mainstream financial services. That latter point was very important, as loan sharks and doorstep lenders are a real problem in parts of Hull, and it is vital to promote the excellent work of credit unions, such as the Hull and East Yorkshire credit union, managed by John Smith in Hull. Individuals would be passported in to the saving gateway if they were in receipt of certain benefits and tax credits. All that has fallen by the wayside, and it is such a shame for constituents who could have benefited from that excellent scheme.

The health in pregnancy grant was a clear example of an enlightened potential spend-to-save policy, paid to expectant mothers from the 25th week of pregnancy on condition that they had received maternal health advice from a health professional, and paid for the first time from April 2009. I have always been concerned about health inequalities in Hull compared with other areas of this country, and we need to focus generally on maternal health and the early years of life. It has been very important to focus on good nutrition, for example. In July 2010, 86% of pregnant women and mothers of young children in my constituency were eligible for the

healthy start programme, which is a targeted programme, compared with a Yorkshire and Humber average of 82%. In the light of that statistic, if the Government are willing to listen and think about targeting the health in pregnancy grant, it seems to me that a vast number of my constituents would be eligible.

I asked Ministers how many people in my constituency were receiving the health in pregnancy grant, but I was told that information was not available. It is ironic that a Government who are requiring councils to list all spending over £500 are not keeping that kind of information, which would help us in our decision making. The grant is also important in helping with the additional costs incurred by families when a new baby is on the way, and it is the link with the health advice that is so important. We heard the quote from the Royal College of Midwives, which was quite clear about the importance of that health advice.

The Government are making the wrong choices. There are alternatives. There are different ways to deal with the deficit. It is unfortunate that the Government will not listen and are taking an ideological view of where the cuts fall, and it is unfair that women, children and babies are being penalised.

8.45 pm

Stella Creasy (Walthamstow) (Lab/Co-op): I wish to speak in the debate tonight because of my deep concern that these proposals will ensure a bleaker future for many young people and their families in our country. In particular, I am deeply concerned that cutting the measures that promote savings and financial stability for many of the poorest families in our society saves comparatively little for the public purse but will have a massive long-term impact on social mobility. I want to make my remarks in three stages: first, my concern that we need to do more to help families to manage their finances and plan for the future, which measures such as the saving gateway and the child trust fund help support; secondly, the evidence that those products were achieving the aims that they set out to achieve; and, finally, the wider social consequences of failing to support action on social mobility.

Members may know of my concerns about affordable credit and the financial hardships of many of the families in my local community. My concern that the Government should act to support measures that will help to tackle the causes of debt and improve access to affordable credit are expressed in the ten-minute Bill that I will table in the House next week. I fear that the forthcoming cuts to public services, which have already impacted on the incomes of families in Walthamstow, will make such problems worse, given the high number of local residents who work in the public sector.

To give some flavour of the financial planning problems that families in areas such as mine are facing, I want to refer to a survey recently undertaken by the Children's Mutual society on the impact of the credit crunch on family finances. It found that one in four families in this country claim their household income is not enough to pay their bills each month. Given many people's fears about redundancy and the impact of the cuts that the Government plan to their livelihoods, it will not surprise many Opposition Members to learn that one in 10 families fear that the main breadwinner will be made redundant in the next six months. Three quarters of them have debts in the shape of credit cards, loans and overdrafts, and a quarter of them have borrowed money from their parents in the past year. Without intervention, those cycles of debt will continue and deepen as these cuts bite.

Helping parents to plan for the financial future of their families is about not just a stable economic platform in Britain, but the quality of life itself. Some 29% of British families admit that they are already arguing over their family's finances. A third of parents are suffering from sleepless nights because they are worried about money.

There is therefore a deep irony that the Chancellor makes comparisons between household debt and national debt, and then scraps the measures that help to address the former in the name of addressing the latter. Thinking of the future when the present is so fragile is tough at the best of times for such families. Taking away the mechanisms by which the Government can help them indeed makes the worst of times, but that is exactly what the Government are doing in this Bill to families such as those in Walthamstow whom I represent.

Abolishing the child trust fund and the saving gateway will do nothing to secure the culture that the Chancellor said just 18 months ago he wished to see in this country in a speech to Reform about a nation that supports savers. He is not the only member of the Government who wanted to support a savings culture in the UK; even after the election, when we know that many pledges have been broken, the Financial Secretary to the Treasury argued that the Government

"is committed to curbing unsustainable lending and helping individuals manage their finances better".

Those are laudable aims. They are aims that I share and that also motivate my ten-minute Bill, but that is why I find this legislation all the more heartbreaking: it stops in their track programmes that we know have a proven track record in improving savings for some of the poorest families in our nation, including many in my own constituency of Walthamstow.

Sarah Newton: I wonder what analysis the hon. Lady has done to demonstrate that the programmes help in the way she suggests, to enable people in low-income households to save for the future, because I understand that very few families have made any additional contribution to the child trust funds.

Stella Creasy: I am glad that the hon. Lady asks about an Opposition Member looking for evidence. If she listens to me, she will find that I can refer to many different research points that can bring out exactly that. It would be useful in these debates to move from the examples given to what the independent academic research tells us the child trust fund has done in increasing savings in this country. I direct her to the work being done by the university of Bristol on this matter in particular.

As an MP in Walthamstow, I cannot help but see the impact of the Government's decision. The latest figures tell me that more than 10,000 families in Walthamstow have a child trust fund voucher—well above the national average for a constituency. Nationally, we know that 70,000 are issued each month, including the top-ups, at a cost of just £500 million to the taxpayer. It is a

[Stella Creasy]

relatively small investment compared to some of the other mechanisms that we have, but we know that it is money well spent, because until they were stopped, child trust funds were the most successful Government savings scheme ever.

My hon. Friend the Member for Stretford and Urmston (Kate Green) admirably set out the evidence that we have. It is worth repeating because of the questions being asked by Members on the Government Benches. Two million people were contributing to 4.5 million open accounts, resulting in more than £2 billion in assets, with £22 million in regular contributions. Critically, those are from families on less than £50,000 a year. In London that is not a high target rate to meet.

To get the full sense of what abolishing the scheme will mean, it is worth looking at the sums involved. Thanks to the Revenue's child trust fund calculator, I was able to do just that. It tells me that a child born on my birthday this year eligible for just that basic payment of £250 from the Government and whose family saves just £100 a year, which is not even a tenner a month, could get about £3,000 in 2028. If the family started saving £20 a month, the figure could rise to £8,000. At £4 a week, it would be nearly £10,000.

Harriett Baldwin: Will the hon. Lady give way?

Stella Creasy: With respect, I have given way once.

We do not need to wait until 2028 to see the impact that such funding will have on the choices that young people could make. We know that in 2020 the first generation of child trust funds will mature. That means there will be 18-year-olds with access to £3 billion of investment for our nation. That may not be the riches of Croesus that some on the Government Benches will be able to bequeath to their children, but for the families that I work with in Walthamstow those first funds maturing in 10 years will transform the choices that their children are able to make.

In the context of the other debates that we have had in the House recently—on tuition fees, home ownership and entrepreneurship—we all know the difference that that kind of money will make. Putting that £3,000, the lowest sum, into context, it is worth reflecting that evidence shows us that parents are spending on average £4,000 on financing their children through university. We know, too, that more than half of 25 to 34-year-olds still rely on their parents for financial help. With tuition fees set to rocket under the present Government, that debt, that dependency and that distress for the parents concerned are only set to rocket.

Countless research studies show us that low income families aspire to saving for the long term, and that they want a nest egg for their children. The child trust fund is helping to make that ambition a reality, with almost 30% of the children who get the child trust fund also getting the top-up endowment of £500, meaning that their nest egg will be even bigger.

Bill Esterson (Sefton Central) (Lab): My hon. Friend makes a good case for the evidence for saving, particularly in low-income families. Is she aware of the House of Commons Library research that predicts a £4 million saving from the abolition of the three schemes, which compares rather unfavourably with the amount to be saved by the levy on the banks? Will she comment on that?

Stella Creasy: I thank my hon. Friend for that question. He precisely answers the point that many on the Government Benches wish to raise about where else money could be raised. There are ample other ways that we could raise money to reduce the deficit, such as the bankers levy.

Harriett Baldwin: Will the hon. Lady give way?

Stella Creasy: I shall make progress, as Mr Speaker has pointed out how many Members want to contribute.

I want to put on record my concern that children who will have the child trust fund removed—those 30% who are getting the extra payment—are kids from the families most likely to be hit by the cuts in public spending, as the housing benefit, tax credits, jobs and services that their parents rely on are also slashed by the Government. These are the kids of families who already struggle to make ends meet and for whom the scheme represents a lifeline of opportunity for their children in later life.

Members need not take my word for it. Let them look at the reports from the Treasury and the Institute for Fiscal Studies. They make it clear that the poorest will bear the brunt of the cuts. The Bill ensures that the burden will carry on to their children as well. This is not fantasy or wishful thinking, as some on the Government Benches may wish to claim. Since the scheme has been running, there has been clear evidence that it works in encouraging saving and supporting aspiration.

It is not fantasy to think that that money would be spent on the future of those young people. The research commissioned by the Treasury shows that families of all incomes see the money as the key to their kids getting on in life, whether it is used for higher education, setting up home or even having driving lessons. The research reflects the ample evidence and common-sense proposition that possession of even a small pot of money in early adulthood improves one's life chances later on. It shows the strength of the economic argument for retaining the child trust fund, and that a savings culture can be ingrained in people from the early years of their lives. It shows also how counter-productive it is to cut the fund now, because the funding that would have been available to our economy in later years will also be absent from the choices that children are able to make.

The strength of the scheme, and what I want to concentrate my final remarks on, is the evidence that a small amount of capital at the beginning of life had a significant advantage for children 10 years on in life, even when accounting for employment, higher earnings and better health. At the heart of the scheme, and the reason why the previous Government introduced it, is a concern for social mobility, something that Government Members say that they too care about. If they do care about it, however, they will understand that assets are the key to social mobility.

Labour Members understand that if a child is born with a silver spoon in their mouth, it means not just nice baby clothes or a wonderful pram but the money, resources, confidence and networks that help to turn potential into reality. If a child does not have those assets, at every stage in their life their choices will be

limited, and the decisions they make will be that much harder, whether they are about where to live or the lifestyle their family can afford, or whether they can even take the chance to go on to further and higher education. That is why Labour Members fought for the scheme and had planned to extend it if Labour won the election. It encourages not just savings, but aspiration.

We might look at our debates, and those that the UK Youth Parliament will have on Friday, about the right to vote and citizenship, but surely a truly progressive society is one in which we ensure that people have access to the capital endowment that gives them the same social power and responsibility of all their peers. I know that some Government Members agree. Only one day has been allotted to this debate, and attendance is low, but I hope that the country takes note of the fact that this Bill reflects the real impact of the Liberal Democrats on the coalition.

I urge those Government Members who consider themselves to be compassionate Conservatives to hold true to their own manifesto and to protect against this onslaught of Liberal callousness. The Conservatives' manifesto at least pledged to protect the child trust fund for some children, so I urge them not to listen to the siren voices of the Liberal Democrats who, by abolishing the child trust fund, want to see the poorest families decimated.

The Liberals cannot even decide why they do not want the fund. Their claims run from "We can't afford it," to "It's not the best way to secure asset-based mobility." But as the former Chief Secretary to the Treasury said—

The Economic Secretary to the Treasury (Justine Greening): "There's no money left".

Stella Creasy: I accept that the hon. Lady may be confused, but let me be clear that I am talking about the former Chief Secretary to the Treasury who claimed that the Government could not afford to continue with the child trust fund because it would burden future generations with a bigger debt. Some Opposition Members think that burdening future generations with no opportunity in life at all is not a price worth paying.

If we are to continue looking at what Chief Secretaries to the Treasury have said, we will find it worth considering what the current one said back in 2008, when he agreed that asset-based welfare was the true path to social mobility. He argued that there needed to be an alternative to the child trust fund, but tonight we have not heard about any measures to replace the asset that people would have had. We have heard nothing from Government Members; the silence has been deafening. Opposition Members have clearly explained why an ISA is not the same as a child trust fund.

My private Member's Bill next week will call for a levy on financial institutions to help to support debt counselling and advice services. That is why I welcome the Financial Secretary's remarks that the Government would back a consumer financial education body to begin that process of supporting financial advice services. However, it is no good on the one hand offering help and support for families who get themselves into debt, and on the other taking away the savings vehicles that keep such families going.

Given my proposal, I hope that the Minister will agree to meet me and other campaigners to discuss what more can be done to address the causes of poverty and ensure that families have access to affordable credit. Whether we are talking about the child trust fund, the health in pregnancy grant or the saving gateway account, I urge the Government to rethink the Bill and recognise that it is not in the long-term interests of families throughout Britain to support such measures.

A nation which ensures that every young person and their family has financial assets at key stages in their lifetimes is one in which potential stands a much greater chance of being realised. If the Bill is overturned and the scheme kept, a world of possibility will open up to many of our young constituents. I urge the House to reject the Bill and to sustain these vital instruments of social progress.

Several hon. Members *rose—*

Mr Speaker: Order. We have just over 40 minutes, and I still have seven names on my list.

8.59 pm

Nic Dakin (Scunthorpe) (Lab): To take a gamble with your own money, especially if you are a millionaire, is a reasonable choice to make, but to take a gamble with other people's money—or, worse still, other people's livelihoods and futures—is reckless in the extreme. But that is what the Government are doing. It is not Labour MPs who are saying that, but respected commentators such as Andrew Rawnsley of *The Observer*. On Thursday, the *Financial Times* described the Government's plan as "an audacious gamble". With economics Nobel prize winners queuing up to say that the policy of this naive Tory-Liberal coalition Government will have us floundering on the rocks of high unemployment and economic stagnation, we are in very difficult times.

Paul Krugman, the 2008 Nobel prize winner, said:

"The best guess is that Britain 2011 will look like Britain 1931."

It is hardly surprising therefore that the Chancellor of the Exchequer most evoked by the policies being pursued is Philip Snowden, whose policies plunged the country into recession in the 1930s. At least the hon. Member for North East Somerset (Jacob Rees-Mogg) was frank when he said that the Government are following the policies of the 1930s. The Bill is part of an overall picture that shows that this Government are targeting their cuts at families and children, making them pay more than the banks whose proclivities got us into these difficulties.

The Bill will remove child trust funds, abandon the saving gateway and abolish the health in pregnancy grant. The Institute for Fiscal Studies clearly demonstrated in its analysis that the Government's plan will have a more severe impact on the lowest-income households. These proposals are further proof of this Government's desire to penalise children and jeopardise the nation's future.

The child trust fund is a savings account for children born in or after September 2002. The Bill will end new child trust funds—worth £1,000 in their lifetime for the poorest children—from January 2011. The poorest children who were due to receive a £500 top-up on their seventh birthday will now not do so. Child trust funds have not

[Nic Dakin]

only given children, especially the poorest children, a financial start in life, but shown the state encouraging saving and investment by example. These are habits that we need to establish in as many people as possible. If such habits are formed and nurtured, they will help us to address many of the great challenges of our age.

The saving gateway was designed to build on the child trust fund by promoting a savings habit among those of working age on lower incomes by providing an incentive to save. There would be a Government contribution of 50p for each £1 saved. That would promote financial inclusion by encouraging those most at risk to get involved with mainstream financial services. More than 22,000 people took part in the two very successful pilots, achieving more than £15 million in savings. A letter from the Save Child Savings alliance to *The Sunday Times* said:

"For a government that claims to want to promote savings, the decision to abolish the Child Trust Fund along with the Savings Gateway is short-term and misguided."

The investment in the UK's savings culture is under threat from these measures. Supporting and creating a national environment in which people are encouraged to save for their future should be a fundamental goal of any responsible Government. However, with overall savings ratios close to their 2009 all-time low and, according to the Office for Budget Responsibility, set to fall to 5.5% by 2015, the UK under this Government is sleepwalking into a situation in which the culture that we are encouraging on savings is exactly the opposite of the one that we need. Whatever their politics, all hon. Members surely agree that the fostering of a long-term savings culture is something that the UK badly needs. The process of achieving that must start with the initiatives that this Bill seeks to remove.

Even if one accepts the repealing of those positive initiatives, there can surely be no financial or policy logic in scrapping the core infrastructure of the child trust fund scheme, given that it demonstrably works. It would surely be far more sensible to leave that infrastructure in place to support future schemes that might be introduced. When introducing the Bill this afternoon, the Minister said that future initiatives would be coming forward. I ask him and the Government to consider leaving this infrastructure in place, because it is proven to support initiatives and, as mentioned earlier, would enable the state to show its corporate parenthood, via child trust funds, at least for looked-after children.

The other casualty of the Bill, if Liberal Democrats and Conservative Members, who tell us they care about children, troop into the Lobby and vote for it, will be the health in pregnancy grant, which is a one-off, tax-free payment for mothers who are 25 weeks into their pregnancy. My hon. Friend the Member for Stretford and Urmston (Kate Green) gave a full and cogent explanation of why the grant is effective and makes a difference, and if we cannot invest to ensure that our babies and children get the best start possible in life, what on earth are we about? Belinda Phipps, chief executive of the National Childbirth Trust, whom my hon. Friend quoted, said recently:

"At a time when families are trying to make ends meet, the Coalition Government has hit parents particularly hard. Cutting pregnancy and maternity grants, as well as child benefit and tax credits, will make it even more difficult for new parents or those wanting to start a family."

The Bill is part of a pattern of penalising families and children for the economic problems caused by the meltdown of the global economy. [Hon. Members: "It was caused by Labour."] No, it was caused by the meltdown of the global economy. Conservative Members cannot rewrite history and pretend that there was no global financial crisis and that their party in opposition did not support every spending plan up to the end of 2008. It was only when the global meltdown came that they did not want to spend the money to save this country from recession. That is the sort of party we are up against.

Withdrawing the child trust fund, ending the saving gateway and abolishing the health in pregnancy grant is bad enough, but add to that reducing tax credits, the withdrawal of the future jobs fund, the destruction of the education maintenance allowance and the hike in tuition fees, not to mention the significant cuts in funding to schools and colleges currently camouflaged by the smoke and mirrors of Government chicanery, and this represents a devastating programme. The Government are making families with children pay more than double what the banks are to pay to bring down the deficit—hardly fair, Mr Speaker, hardly fair at all.

9.7 pm

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): We have heard tonight two main arguments from Government Members. The first, which may be familiar to Members on both sides of the House, is that there is no alternative, but the absurdity of that position should be clear to everyone. Budgets are inherently political acts, and the notion that the Government have no choice is ridiculous. It is nonsense. The House of Commons came into being over the issue of supply. The modern House of Commons emerged because there were debates about how money should be appropriated. So let us nail that myth.

Listening to Government Members, we realise that this argument is only a front for their real argument. We have heard an attack on universal benefits that has been repeated throughout this debate, to which I have listened closely. These attacks have continued despite the fact what we have heard continually from my hon. Friend the Member for Stretford and Urmston (Kate Green), who has forgotten more about these issues than anyone on the Government Benches even knows.

I turn quickly to something that the hon. Member for North East Somerset (Jacob Rees-Mogg) mentioned. I am sorry to see that he is not in his place. He might be an historian—I personally will reserve judgment on that—but he certainly is not an expert on asset-based policies, because he suggested that the child trust fund and the saving gateway in particular are examples of nanny-state socialism. I have a message for those on the Government Benches: they are not examples of nanny-state socialism; they are examples of liberalism.

The child trust fund is a policy whose objective is to promote social mobility. It is a starting point—a symbol and a recognition of the fact that massive inequalities of wealth exist in our society, and that these inequalities exist in addition to the massive inequalities of income. The child trust fund is also a policy with a long history.

Thomas Paine first proposed the idea of state-backed assets for all individuals reaching adulthood at the turn of the 19th century. No nanny-state socialist he. Thomas Paine suggested such payments because he understood that inherited wealth unfairly tipped the scales of life in favour of those who were born lucky, rather than those who worked hard—something that I am sure Members on both sides of the House agree with.

The child trust fund operates on that principle, by hopefully making it possible for young people from ordinary backgrounds to go out into the world in future with savings to their name. I say "in the future", because nobody is suggesting that the child trust fund was a perfect policy or that it had achieved everything that we hoped it would achieve, but it has hardly bedded down and now it is being abolished. The child trust fund allows ordinary kids going out into the world to ask themselves a basic question that we have all asked ourselves, as we went forward in our lives: what do I want to do with my life?

As such, I am afraid to say that abolishing the child trust fund represents another nail in the coffin of a once great tradition of social liberalism. Social liberals used to recognise—indeed, social liberals still do—that in the absence of a fair distribution of income and wealth, real freedom is impossible for most individuals. "Assets for all" is an inspiring cry that we used to hear from those on the Liberal Benches. No longer do we hear it.

Mr David Anderson (Blaydon) (Lab): "Limousines for all"!

Gregg McClymont: That may well be the case; I could not possibly comment.

I know that a number of people are waiting to speak, so I shall be brief. However, I want to reiterate the point that the child trust fund is about freedom and opportunity. It is not about nanny-state socialism; it is about trying to enable young men and women who are not from privileged backgrounds to go out into the world when they turn 18 and have a chance to make something of themselves. I would have thought that that was something that everyone, in all parts of this House, would support. And please, let us not hear again from those on the Government Benches that there is no alternative. The Government are spending, on behalf of us all, £697 billion this year. Abolishing the programmes that we are debating this evening will save around £4 billion. Are the Government really telling us that there is no alternative? I for one do not believe a word of it.

9.13 pm

Yasmin Qureshi (Bolton South East) (Lab): I know that time is short, so I intend to be quite brief, although I apologise in advance for not allowing any interventions, as a number of colleagues still wish to speak.

I endorse and echo the sentiments expressed by my right hon. and hon. Friends, who have explained in detail why the child trust fund and the health in pregnancy grant are important and why we need to retain them. I want to deal with the three reasons given by the Government for why they have brought forward this piece of legislation. The first reason is that they have to make these cuts and that the Bill is the only way to do so, because of financial difficulties. Paul Krugman, who was mentioned by my hon. Friend the Member for Scunthorpe (Nic Dakin), recently said that the Government's cuts are ideologically driven, not driven by economic necessity. Therefore, economics has nothing to do with the reason for making the cuts in this Bill.

Secondly, we are told that the schemes are being cut because they are universal benefits, benefitting the rich and poor alike. However, if that is the argument, why should the Bill not be amended to say that such benefits should be means-tested, so that those who need them can keep them? That would make the Government's case more logical. I suggest that the Government are using the argument about this being a universal benefit, even though they do not do so in regard to the winter fuel allowance—I want to put on record that I am not against the winter fuel allowance being universally available—because it is well known that people of pension age are the most likely to vote, while those who receive income support have the lowest tendency to vote. Perhaps there is an element of self-interest there. That would explain why the Government think it is fine to abolish one universal benefit, the child trust fund, but wrong to abolish the winter fuel allowance.

It has been said that the child trust fund has not led to an increase in the savings culture in our society, and that it was intended for children to use when they reached 18 and were grown up. We know that the savings culture has gone from our society over the past 20 or 30 years and that people are saving less and less. However, many people in their early 20s to mid-30s find that having children is an encouragement to save, and that is bringing saving back into our society. To suggest that the argument about the savings culture does not apply because a child does not benefit from the trust fund until they are 18 is also wrong.

The child trust fund continues to be among the most successful Government savings schemes ever. Two million people are now contributing to 4.5 million accounts, resulting in more than £2 billion of assets under management and attracting more than £22 million a month in regular contributions. As my hon. Friend the Member for Walthamstow (Stella Creasy) pointed out, the majority of this activity is undertaken by families with an income of less than £50,000. We have seen that the number of people saving has increased, and the Government should be thinking about how to make that very successful programme even better. We should be trying to find ways of extending and improving the system, not abolishing it.

I shall turn now to the health in pregnancy grant. If someone is well-off, so be it: becoming pregnant probably causes no inconvenience or difficulty for them. Having a child results in many extra expenditures, however, and the Government should surely be able to afford giving even a little extra money to those on very low incomes. They have told us that they have introduced a levy on bankers' bonuses, but if this is all about finance, why can they not increase the levy just a little more? I am part of a group called the Robin Hood tax alliance, which contends that if we were to tax the bankers a bit more, we could easily get £45 billion. That would be more than enough to pay for the child trust fund and the health in pregnancy grant. The money is there in the system; it is just a question of whether there is any will on the part of the Government to use it in the right way.

The argument that we have to make these cuts just does not wash. This is really sad, and I am surprised at Members on the Government Benches. I thought that

[Yasmin Qureshi]

there were more compassionate Conservatives out there who would think that these benefits could be retained. If they really do not want to provide them on a universal basis, they could at least target them at people on lower incomes.

9.18 pm

Sheila Gilmore (Edinburgh East) (Lab): Early in the Minister's introduction to the debate, one of the reasons he gave for not going ahead with the saving gateway account was that there had not been enough take-up by banks. He also argued that credit unions did not exist in every deprived community, and that they would therefore be unable to operate the saving gateway accounts adequately. I think that he was putting the cart before the horse. The saving gateway would have given the credit unions a huge boost and allowed them to develop.

The credit union in my constituency is fragile, because it serves an area in which people have difficulty saving. They might wish to borrow, however, and to do so through a credit union is much better than using some of the other methods on offer in the area. It is difficult for credit unions to balance their savings and their borrowings, even without taking into account their administration costs and all the other expenses that they incur, and they need to get volunteers to do the work. So, if we want the credit unions to grow, we need to assist them, and retaining the saving gateway account would have been one way of putting credit unions such as the one in my constituency on to a firmer footing.

If a credit union is not an example of "the big society", I would like to know what is. I believe this illustrates a fundamental incoherence, which we can see in many of the policies presented by the coalition Government. They have a lot of the words and a lot of the language—in fact, I sometimes think that Government Members are stealing our language—but if we look at what is being done as opposed to what is being said, we see the truth. Here is an example of something that should be encouraged as part of the big society, which we are all supposed to be supporting, but some of its lifeblood is being cut off through this policy.

Another incoherence is seen in considering what types of benefits we should have. As I said before I was elected, we all need to discuss that—I am not suggesting that my party has no need of further discussions—and I shall carry on saying it. Do we want universal benefits or not? If we have them, yes, there are costs. Personally, I would have been happy to see child benefit made part of taxable income in a more coherent way. If we want universal benefits, yes, there are tax implications.

There are some strange inconsistencies around. I may have imagined it, but I thought I heard the Secretary of State for Business, Innovation and Skills extolling on the radio yesterday—several times throughout the day on the BBC—a policy that he claimed the Government would adopt over the next few years: providing pensions and giving the current rate of means-tested pension credit to everybody over pension age. I think that would be fantastic, especially if we could further reduce the dependence on means-testing. Many of my constituents, particularly those just over pension credit level, would feel that that was fair. There is a huge cost, however, which would have to be paid for. Is that really the policy of the coalition Government, or only that of one party trying to distract attention from the comprehensive spending review? Can it be the policy when we have heard today all sorts of arguments against universal benefits being made very strongly by Conservative Members? I found it quite offensive to hear some Conservative Members describe what they thought people might use their health in pregnancy grant for—it is not necessarily eased by other benefits. That is why I have referred to incoherence in the policy, which needs to be sorted out. It is right for us to expose it.

We have different views on how the economy works and on how to get out of the recession. We could go into all sorts of history lessons. The 1930s are often mentioned, but we have to go beyond 1931, 1932 and 1934. There is a strong economic argument for saying that we did not get out of the recession until re-armament started before the second world war. It can also be argued that the UK went through a double-dip recession in the mid to late-1930s. Economists disagree, of course, but none of us should take such an absolutist position as to suggest that we are simply right. We have a view; you have a view—*[Interruption.]* I am sorry, Mr Speaker, you do not have a view. The coalition Government have a view, but we should be prepared to listen to alternative points of view.

9.23 pm

Valerie Vaz (Walsall South) (Lab): It is always a pleasure to follow my hon. Friend the Member for Edinburgh East (Sheila Gilmore). Unsurprisingly, I shall speak against the Bill. As mentioned earlier, the Bill contains three main provisions: the abolition of the £190 health in pregnancy grant and the phasing out of the child trust fund and the saving gateway provisions.

The £190 pregnancy grant should be uncontroversial in its effect. It is a simple measure to ensure that, at this important time of their lives, women who face a huge physiological upheaval in their bodies as they nurture a new life, receive this additional money. They need it. We become deficient in many things—calcium and iron, to name but two—and this simple grant enables women to put back these vital foods to enable the proper growth of their unborn child and to ensure that they remain healthy when their baby is born. I have heard many Government Members, mostly men, say that we do not require decent food throughout the nine months, but in fact we do, because soon after that we have to feed growing children. The provision can be seen as an attack on women at their most vulnerable. As if that was not enough, the attack is on children as well.

By all accounts, the child trust fund has been a successful savings scheme, and I believe it will teach children to be fiscally responsible. The beauty of it is that every child, irrespective of the circumstances of their birth, has a trust fund. The facts are these: £2 billion is held in child trust fund accounts; 74% of parents have opened an account—sadly, in my constituency, the figure is down to 64%—and almost £470 million is paid in by grandparents. No one can touch that money except the beneficiaries, when they are 18. The money is there for them whatever their circumstances—whether they are looked-after children, the children of two-parent families, or the children of single parents—and no stigma is attached. It is not, as the Deputy Prime Minister said in 2009, a few hundred pounds in the hands of 18-year-olds; it is a solid account of savings over 18 years.

We want our children to grow up to be independent, fiscally aware and responsible. How much does the child trust fund cost? The answer is £524 million. In contrast, during four months in 2009, £2.3 billion was levied through the one-off tax on bankers' bonuses. The new levy coming into effect will raise £2.5 billion. As the slogan goes, Mr Speaker, you do the maths.

Above all, the child trust fund fosters a savings culture in which children know that something has been put aside for them. In my view, that will make them better citizens. To paraphrase a slogan that is used, we can say to them, "This is what the state has done for you. What can you do for the state?"

My biggest concern is that the proposal was not put before the electorate, and the people did not have a say. Our children are our future. Let us give them a future, for the good of the country. I urge all hon. Members to vote against the Bill.

9.27 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Over the past few days, weeks and months, there has been a lot of talk about "fairness", which is an easy word to use. Who is the judge of what is fair? Whose standards of fairness are being applied? Many believe that the measure of a civilised society is how it treats its weakest members. If so, the Bill clearly fails the fairness test, because it lets down families and leaves our children to take the strain.

When the Prime Minister spoke about "mending our broken society", he did not say that he would go around breaking it first.

"I want the next Government to be the most family friendly Government we've ever had in this country".

It was a broken promise, one of many, with more to come. Then we have the Chancellor's hollow promise of fairness:

"A fair Government make sure that those with the broadest shoulders bear the greatest burden."—[*Official Report*, 20 October 2010; Vol. 516, c. 955.]

Today we see the Liberal Democrat and Conservative idea of fairness.

Anyone who has young children running around knows how expensive bringing up a family can be. As we are discussing the removal of a grant of £190 to encourage health in pregnancy, I want to talk about how expensive simply being pregnant can be. There seems to have been a lot of debate and misunderstanding about the value of the grant. My hon. Friend the Member for Walsall South (Valerie Vaz) made good points about the physical nourishment required by a pregnant woman, especially in the later stages of pregnancy. On a physical level, however, a pregnant woman needs clothes to go to work, shoes for her swollen feet, vitamin supplements—I craved fresh fruit salad. I know mothers who have suffered from chronic back pain and chronic pelvic pain. They have struggled to sleep because the later stages of pregnancy are so uncomfortable. All those conditions can be helped by customised cushions, back supports and other aids, none of which is available on the national health service, all of which must be purchased, and all of which I was fortunate enough to be able to purchase, although many on lower incomes would not be able to. The health in pregnancy grant was designed to ease the final stages of pregnancy, and to ensure that a child is not born to a broken mother.

All that arises before we consider the huge impact of the link between the health visitor, the midwife and the pregnant woman that is currently required for the grant to be obtained. The financial pressures during pregnancy are difficult for all women, but teenage mothers suffer a particular burden. The Institute of Education has found that they suffer a lifelong financial disadvantage, with a lifetime family income £12,000 lower—or an annual income 2% lower—than the family incomes of those who become pregnant in their mid-20s.

Toby Perkins: Will my hon. Friend give way?

Catherine McKinnell: Am I the last speaker?

Mr Speaker: Yes.

Catherine McKinnell: In that case, I will give way.

Toby Perkins: My hon. Friend is making a compelling case. Does she agree that, whatever we may have thought about the upper-class buffoons whom we may have considered to constitute the Conservative party, they always seemed to have a sense of gallantry? When they said "Women and children first", it was supposed to be a good thing. Nowadays, however, when they say "Women and children first", they mean that women and children should be in the front line, facing a battering from the cuts. It is women and children first who are losing the benefits, it is women and children first who are losing the payments, and, most of all, it is women and children first who are paying the costs for these upper-class buffoons.

Catherine McKinnell: My hon. Friend ably makes a point that I was about to make myself. Families are being asked to bear the brunt of the mistakes made by bankers. The Government plan to take £190 away from the pregnant mothers who need it most. I believe that that constitutes a shameful attack on the most vulnerable and needy in our society. The Government tell us that the banking levy would bring in £2.4 billion, but my hon. Friend the Member for Walsall South set out the economic case—the "you do the maths" case—very clearly.

Richard Graham: I promise that my intervention will be briefer than the last one.

How fair does the hon. Lady think it is that those with money in child trust funds pay £25 million a year in fees at the last Government's prescribed rate of 1.5% a year, which reduces the amount of money in the funds?

Catherine McKinnell *rose—*

Thomas Docherty (Dunfermline and West Fife) (Lab): Does my hon. Friend agree that one of the crucial reasons the child trust fund is so important is that if a parent can save the maximum amount, the £18,000 or so would probably pay for one year's tuition fees under the Liberal Democrats' new plans?

Catherine McKinnell: I am grateful for all these interventions, but we had a discussion earlier about the benefits of the child trust fund scheme as opposed to the establishment of a potential ISA scheme. We dealt at length with the arguments in favour of the current

[Catherine McKinnell]

scheme, which is targeted at everyone, including the most vulnerable and disadvantaged. The ISA scheme would not necessarily achieve that. However, I fear that we are becoming lost in figures.

The point that I am trying to make concerns the real-life cost of the decision to remove the health in pregnancy grant, to freeze child benefit and to cut the child trust fund, tax credits and the Sure Start maternity grant. It is clear that, as a result of those and other cuts, low-income families will bear the greatest cost of many of the Government's policies. The average household income in the north-east is £12,543 a year. According to a recent report by Citizens Advice, the combination of the Government's proposed cuts could cause a low-income family with a new baby to lose up to £1,235 a year—10% of the average household income of someone in the north-east. Is it really fair that children should be paying this price, rather than bankers?

Because of the establishment of the child trust fund, both my young children have bank accounts, and that is the start of saving for their future. I know of lots of families who are saving through child trust funds, regularly topping them up with birthday and Christmas gifts. Many people have admitted to me that they would not have started saving without the impetus to set up the account. We have discussed at length the benefits of the trust fund in encouraging a savings culture in this country; I think Members on both sides of the House agree that that is a positive development.

Since the child trust funds were introduced in 2005 there has been steady growth in the opening of new accounts, from 3 million in 2007 to 4 million in 2009. The current number is about 5 million—that is 5 million families saving up for their children's futures.

The child trust fund was a universal and progressive policy that recognised the importance of children. It allowed families to open an account, but it gave greater assistance to those on lower incomes through additional payments from the Government. Abolishing child trust funds will lead to the next generation paying for the mistakes of the City bankers and financiers who caused the global economic crisis.

I beg the Government seriously to review this decision, and to accept the analysis of the independent Institute for Fiscal Studies that the spending review is regressive and that families with children will lose out the most. I also ask the Minister to consider some of the suggestions that have come out of the debate—such as keeping the savings mechanism in place while, perhaps, reducing the amount being put in, or means-testing if necessary—in order to hold on to this credit saving system that has already been so heavily invested in.

The Government are taking a terrible risk—reversing so much work that has been done to remove so many of our children from poverty. The Government have chosen to pursue this policy, and in my view and that of all Labour Members it is the wrong choice for our future generations.

9.37 pm

Kerry McCarthy (Bristol East) (Lab): It is almost obligatory for a Minister or shadow Minister rising at the Dispatch Box to respond to a debate to say that we have had a fascinating discussion, but I can genuinely say that our debate has been very engaging with lots of issues discussed and clear differences expressed between Labour Members and those on the Opposition—or, rather, Government—Benches. If only they were still in opposition; then we would not be in this position of having to try to defend measures such as these against attack from them.

At least the hon. Member for Blackpool North and Cleveleys (Paul Maynard) was brave enough to speak in the debate, unlike many of his Conservative counterparts. I do not think a single Liberal Democrat spoke, and it was very disappointing to see the lack of interest from them.

John Healey (Wentworth and Dearne) (Lab): It was a lack of support.

Kerry McCarthy: Yes, we have to wonder whether the absence of so many Members from the Government Benches was due to a lack of interest or the fact that some of them have serious reservations about what is being proposed today. It was particularly noticeable that very few women Members from the coalition parties attended or spoke in the debate. I hope that that shows some concern on their part.

The hon. Member for Blackpool North and Cleveleys suggested that children would be better served by a piggy bank in their bedroom than a child trust fund, which shows a shocking lack of understanding of the issues. The hon. Member for Gloucester (Richard Graham) showed a similar lack of understanding by saying that an individual savings account was a better form of saving at zero cost to the taxpayer than a child trust fund. I gather from his CV that he worked for Baring Asset Management; I suspect that a background of working for Barings is not the best qualification for advising other people on how to manage their assets.

My hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) made an eloquent speech in defence of the child trust fund. I want to congratulate her on becoming a grandmother today—*[Interruption.]* Has it not arrived yet? Well, I hope mother and baby do very well when it does finally come along. *[Interruption.]* Yes, there should now be a pregnant pause in my speech, as the shadow Chancellor, my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), says.

The hon. Member for Strangford (Jim Shannon) and his colleagues from Northern Ireland showed how important they thought the child trust fund was for the people of Northern Ireland. He mentioned that it is backed by the credit union movement, which is obviously well developed there, and that it has cross-party support. We very much valued his support on that point.

The hon. Member for Mid Norfolk (George Freeman) described the contributions of Labour Members as "hysterical". I have to say that that word is often used by a certain type of man when women express strong views. I am sorry if this makes him uncomfortable, but Labour Members are not desiccated calculating machines and we care passionately about defending the measures that the Government are trying to abolish in this Bill. My hon. Friend the Member for Stretford and Urmston (Kate Green) gave, as always, an awe-inspiring speech. She has impeccable credentials on this point and demonstrated the eloquence that comes from truly knowing her subject and caring passionately about it.

My constituency neighbour—in all other senses he is probably from another planet from me—the hon. Member for North East Somerset (Jacob Rees-Mogg), talked about these measures involving "pitiful" amounts that are "too small" to make a difference. It may be that in the world that he inhabits these sums are pitiful, but I ask him to cross the constituency border and come to meet some of the people whom I deal with in Bristol East, because he would then learn some lessons about how much difference these small amounts of money can really make.

That was something that my hon. Friend the Member for Walthamstow (Stella Creasy) showed in a well researched speech full of statistics. She described just how investing small sums can create substantial assets for a child in its future.

Ian Swales (Redcar) (LD) *rose—*

Kerry McCarthy: I am sorry, but I do not have time to give way because we are a bit under the cosh.

My hon. Friend the Member for Rochdale (Simon Danczuk) talked about how scrapping the child trust fund would heighten the contrast between the tax advantages for the wealthiest savers and the poorest and vulnerable slipping further and further behind. My hon. Friend the Member for Stockton North (Alex Cunningham) reminded the House of the old biblical tale of the widow's mite and the comparison with the poor being made to contribute to deficit reduction at great sacrifice while the very richest in society will not feel the same pain.

My hon. Friend the Member for Kingston upon Hull North (Diana R. Johnson) talked about how the saving gateway had been piloted in Hull. That measure was not mentioned as much during today's debate, but it is obviously important and it was praised by my hon. Friend the Member for Scunthorpe (Nic Dakin).

My hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Gregg McClymont)—I think that I finally pronounced that right after several attempts—talked about how the child trust fund is about freedom and opportunity, and not about the nanny state. That is such an important point to make, because the fund is about creating the ability for young people to go out into the adult world with a little bit behind them that they can put to good use.

My hon. Friend the Member for Bolton South East (Yasmin Qureshi) rightly pointed out that those on the Government Benches have been using specious arguments against universalism all afternoon, yet they are not arguing that the health in pregnancy grant should be targeted, although that would be the logical conclusion of their argument. They are also not using the same argument to say that the winter fuel allowance, for example, should be targeted.

We heard a passionate defence of the health in pregnancy grant and the child trust fund from my hon. Friends the Members for Walsall South (Valerie Vaz), for Newcastle upon Tyne North (Catherine McKinnell) and for Edinburgh East (Sheila Gilmore). The latter described some of the language used or some of the suggestions made by those on the Benches opposite about what the health in pregnancy grant could be used for as quite offensive. The suggestion that ladies, as my neighbour, the hon. Member for North East Somerset, would say, cannot be trusted to spend the money wisely in a way that would benefit their health and their child is quite offensive.

Jacob Rees-Mogg *rose—*

Kerry McCarthy: By way of light relief today—[Hon. Members: "Give way."] I would love to.

Jacob Rees-Mogg: I thank the hon. Lady for giving way, because I want to clarify that I had not made the point that people did not spend their money wisely. It may have been made by somebody else, but I would not like people to be confused.

Kerry McCarthy: My reference to the hon. Gentleman related just to the fact that he used the term "ladies" quite frequently during the debate, which is actually charming in its own way.

Earlier today, after a heavy morning spent in the Finance Bill Committee, by way of light relief I watched a video that had been posted on the ConservativeHome website in January this year. It was one of those videos that the Conservative party was very fond of when it was on a mission to convince the British voters that it really had changed and was no longer the nasty party. It featured the then Leader of the Opposition, now the Prime Minister, of course, in his shirt sleeves talking with well-rehearsed spontaneity to an audience carefully chosen to seem like a random cross-section of the general public. He said that he wanted this Government

"to be the most family friendly Government we've ever had in this country and that is about everything we do to support families and it's about supporting every sort of family."

What have this Government, in collusion with their friends from the Liberal Democrat party, done to support families? For a start, what have they done to support children? The so-called emergency Budget and the spending review take away almost £7 billion from funds to support children, three times the amount the bank levy is estimated to raise. According to the Institute for Fiscal Studies, families with children will lose the most from what this Government plan to do by 2014-15. The poorest 10% of families will lose 7% of their income. The Government are freezing child benefit, cutting child care tax credits, restricting the Sure Start maternity grant to just the first child and, of course, axing the child trust fund and the health in pregnancy grant under the Bill that we have considered today.

What about when the children get a bit older? Education maintenance allowances are being abolished, school spending per pupil is being cut in real terms and the IFS has said that the pupil premium could widen funding inequalities. As the End Child Poverty campaign said after the comprehensive spending review, it was

"a dark day for any family struggling to stay out of poverty, or deep in it already and fearing things will get worse still."

Guy Opperman (Hexham) (Con): Will the hon. Lady give way?

Kerry McCarthy: I am afraid I do not have time.

What about the impact on women? Our research has shown—we have had to do our own research, because this Government seem to have abandoned any notion of doing real and meaningful equality impact assessments,

[Kerry McCarthy]

and I pay tribute to my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) for her work on it—that the cuts hit women twice as hard as men, without considering the impact of cuts to public services. We know that 65% of public sector workers are women and that two thirds of the public sector redundancies arising from the spending review are expected to be women.

Of the £16 billion cuts in total, £11 billion comes from women. Some 72% of the emergency Budget cuts will be met from women's income, and in the CSR cuts £5.7 billion will be taken from women compared with just £2.7 billion from men. A million more women claim housing benefit than men, 70% of tax credits are paid to mothers, 94% of child benefit is paid to mothers and 90% of lone parents are women. So much for being family friendly. So much for looking after every sort of family. So much for doing everything they can to support the family.

My hon. Friend the Member for Chesterfield (Toby Perkins) stole my line earlier when he talked about the Government believing in women and children being first when it came to cuts. The phrase "women and children first" comes from a mariners' saying when a ship is doomed to sink, and what we are discussing today is just the tip of the iceberg.

The Bill might be tiny in terms of written content—it is just three pages and four clauses—but it does a huge amount of damage. It scraps the support that we have given to families to help them save through the saving gateway. It scraps the chance a child from a poor family had to enter adult life with a little pot of money to help them fulfil their dreams and ambitions, something that hon. Members on the Government Benches, with their multi-million pound trust funds, could never hope to understand. It snatches away money from pregnant women—money that was designed to help them have healthy, happy pregnancies and healthy, happy babies.

We on the Labour Benches will carry on fighting for those families and for children who were not born with a silver spoon in their mouth, and we will oppose the Bill tonight.

9.48 pm

The Economic Secretary to the Treasury (Justine Greening): As we have heard, this has been a vigorous debate and I am very grateful to all the Members who have contributed. The discussion has been wide-ranging and I want to start by addressing some of the wider arguments that have been made before moving on to some of the more detailed points about measures in the Bill. I shall try to cover all the speeches, although they were numerous.

My hon. Friend the Financial Secretary set out at the start of the debate the rationale behind the Bill and the role that it will play in our plan—a clear and credible plan—to reduce our budget deficit. Some Members have argued today that our plans move too fast, but our deficit is unprecedented and unsustainable so we must take action to tackle it. That action is supported across the world. Only today, Standard and Poor's, the credit rating agency, stated that the coalition parties

"have shown a high degree of cohesion in putting the U.K.'s public finances onto what we view to be a more sustainable footing".

It is simply untenable for Labour Members to spend yet another debate, yet another afternoon and yet more hours in refusenik mode arguing about what they do not like, while setting out no plans for what they would do instead.

We are spending £43 billion this year—£120 million a day—on the debt that the Government have inherited. The Labour party wants to airbrush that amount out of our financial worries, but that is simply not possible. Failing to act now would risk higher interest rates, higher mortgage rates, higher rates of business failure and higher unemployment. The Labour party knows all about higher unemployment, having again left unemployment higher when it left office than when it came in.

Toby Perkins: The Minister just said that higher employment is something that the Labour party knows all about. I do not know whether she is aware that unemployment was up near the 4 million mark under a Conservative Government. What does she consider to be a successful level of unemployment this time?

Justine Greening: The hon. Member for Edinburgh East (Sheila Gilmore) talked about judging Governments based on what they do. The previous Labour Government left unemployment around 400,000 higher when they left office than when they came in. I do not know what the hon. Member for Chesterfield (Toby Perkins) has to say to those people who were unemployed when the previous Government left office, but those people must be very pleased that the Labour Government are no longer in office taking bad decisions.

Today Labour Members have discussed fairness, but there is nothing fair about failing to tackle the deficit. They have discussed it being unfair to end eligibility for the child trust fund, but there is nothing fair about asking future generations to pay our debts, which is simply unacceptable. It was the ultimate irony to spend the afternoon listening to Labour Members discussing the value of saving, when the Labour Government left office with our savings ratio at an all-time low, as we have heard. A savings culture was nowhere to be seen in the Labour Government. If they had demonstrated a little bit more of that culture themselves, the rest of the country might have followed suit.

Fiona Mactaggart: On savings, the previous Conservative Government presided over five years of double-digit inflation and double-digit interest rates.

Justine Greening: I am sure that it suits Labour Members to talk about the past, but we want to talk about sorting out the future. The hon. Lady has mentioned interest rates, but surely she accepts that the biggest risk to interest rates is not tackling our fiscal deficit, and this Bill is part of our plan to do that. The former Chief Secretary to the Treasury, the right hon. Member for Birmingham, Hodge Hill (Mr Byrne), said, "There's no money left." For once, he was right.

The changes that we are making to child trust funds, the decision not to introduce the saving gateway and the abolition of the health in pregnancy grant will save us £370 million in this financial year, around £700 million next year and around £800 million each year from then on. That money can be used to reduce the deficit or to

fund our country's priorities today. We could not afford to spend £500 million of that money on the child trust fund, where it would have been locked up for 18 years. We want to help disadvantaged children now, which is when they need our help, and it was simply wrong to defer that help for 18 years.

We could not afford to introduce the saving gateway in July this year, at the point when we needed to start reducing the deficit, and we could not afford to continue spending £150 million on the health in pregnancy grant to every pregnant woman, whatever their income, whatever their need and however they wanted to spend it. Those policies were simply unaffordable given the fiscal challenge that we face, so we needed to take action.

I want to address some of the issues that hon. Members have raised, but let me first touch on child trust funds. A number of Opposition Members seem to be under the impression that people will no longer be able to pay into their children's trust funds, but that is not correct: people will be able to continue saving on behalf of their children. As my hon. Friend the Financial Secretary said earlier, we will introduce a new account allowing parents a clear and simple option to save for their children, while saving more than half a billion pounds from child trust funds. In the same way, we will not continue to pay the untargeted, unfocused health in pregnancy grant, but we will continue the Healthy Start scheme, which is targeted at those who need it most and which ensures that people spend their vouchers on milk, fresh fruit, vegetables and vitamins.

Let me briefly cover some of the points that have been made. The hon. Member for Walthamstow (Stella Creasy) talked about the need to maintain policies to ensure that parents can still save on behalf of their children and pass an asset to them when they reach the age of 18. First, child trust funds that are already open will still be a vehicle that parents can use to save. Only today, my hon. Friend the Financial Secretary launched details of a new tax-free savings account for children. The hon. Lady mentioned the Children's Mutual society, which very much welcomes the announcement that we have made today. It says:

"we absolutely welcome any product that promotes"

the idea of saving efficiently on behalf of children. I hope that she will welcome what it says about our plans. So we will continue to help parents and children to save and I simply do not accept the accusation that the new accounts will be of no use to people on lower incomes. The aim of the accounts is to provide people with a clear, simple way of saving for their children and we want to ensure that they will be accessible to people on lower incomes. The accounts will also allow savings to be locked up until children reach adulthood, so this is not about giving wealthy families a tax break.

The important issue of looked-after children has been raised. The details of any new tax-free account that is launched have yet to be agreed, and, as I said in the Westminster Hall debate last week, I am open to suggestions from hon. Members and others about how we can ensure that local authorities with parental responsibilities for looked-after children play their role in contributing in this area.

I congratulate the hon. Member for Erith and Thamesmead (Teresa Pearce) on her imminent grandchild and I assure her that a child born today will still be eligible for the child trust fund. Her daughter will have got the health in pregnancy grant and if this is her first child she will be eligible for something that has not been mentioned today—the Sure Start maternity grant.

I hope that I have dealt with the specific points that have been raised and I conclude by returning to the wider point of the Bill. If we had carried on with these policies, our plans for reducing the deficit would have meant finding £3 billion of extra spending cuts elsewhere. Instead, these actions, alongside other difficult decisions, enable us to protect critical areas such as health, spending on schools, tackling the welfare state that currently traps people in poverty, laying the foundations for growth in our economy and creating more of the jobs that will ultimately help us to get the economy back on track. I commend the Bill to the House.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 318, Noes 224.

Division No. 101] **[9.59 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard

Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Stephen Crabb and Mark Hunter

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic

Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Fiello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Stephen Pound and Mr David Anderson

Question accordingly agreed to.

Bill read a Second time.

SAVINGS ACCOUNTS AND HEALTH IN PREGNANCY GRANT BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Savings Accounts and Health in Pregnancy Grant Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 11 November 2010.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Mr Newmark.)*

Question agreed to.

Business without Debate

DEFERRED DIVISIONS

Motion made, and Question put forthwith (Standing Order No. 41A(3)),

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motion in the name of Justine Greening relating to Excise.—*(Mr Newmark.)*

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXCISE

That the Alcoholic Liquor Duties (Definition of Cider) Order 2010 (S.I., 2010, No. 1914), dated 27 July 2010, a copy of which was laid before this House on 27 July, be approved.—*(Mr Newmark.)*

Question agreed to.

Mr Speaker: Just before I call Mr David Amess, can I please appeal plentifully and strenuously to right hon. and hon. Members who are leaving the Chamber to do so quickly and quietly, so that we can hear the hon. Gentleman?

Maternity Services

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Newmark.)*

10.14 pm

Mr David Amess (Southend West) (Con): When I applied for this Adjournment debate, I did not anticipate quite the level of interest that there appears to be from colleagues, because I did not want to talk about specific constituency matters; I wanted just to draw to the House's attention to one or two general midwifery matters. So all I would say, Mr Speaker, is that I hope that colleagues will be fortunate enough to catch your eye.

There can be no more personal, emotional or exhilarating experience than watching a baby being successfully delivered. I had the privilege of watching each of my five children being brought into this world, and the sense of wonder and excitement is very personal and unique to everyone, but I am much more comfortable observing babies being born than having to deliver one. It is extraordinary how some members of the animal world seem to have babies so much more easily than human beings do.

However, the point that I really want to make is that from a woman's perspective, there can be nothing more personal than the relationship that a lady having a baby has with the midwife. Indeed, when our five children were born, I represented Basildon, and so strong was our relationship with the midwife, a wonderful lady called Ladze, that she ended up being godmother to all our children.

Despite some improvements in the national health service's maternity provision in recent years, much more must be done to ensure that women throughout the United Kingdom receive the best care possible. For those and many other reasons, I want the House tonight to consider how best we can value and support the work of our wonderful midwives.

Let me say immediately that Southend's maternity services are absolutely splendid. Indeed, their quality was recognised in the Healthcare Commission's report into maternity services in the UK, in which Southend University hospital was rated one of the very best in the country. Indeed, I have just heard that I have become a member of the Royal College of Midwives parliamentary panel. It is unpaid and voluntary, but I declare it as an interest. As I am sure that all colleagues will agree, midwives throughout the country provide an absolutely invaluable service.

Recently, when I was privileged enough to undertake voluntary service overseas in the Philippines in order to support Filipino nurses, I went to a village in Ifugao, and there at first hand I witnessed just how difficult it is for some ladies to deliver babies. Our services in the UK are somewhat better than those in the Philippines, bearing in mind the challenges that are faced there, but we could still do much better.

Relations between midwives and consultants must be strengthened, and I say to my hon. Friend the Minister that more training should be available to midwives. Although the previous Government claimed some success in introducing consultant midwives in 1999, by 2009 there were only 59 throughout the United Kingdom—just not enough.

Midwives throughout the country are anxious about the outcome of the review of their pensions. The NHS pension scheme hands billions of pounds over to the taxpayer. Indeed, more is paid into the fund than is paid out to pensioners. In the past five financial years, the scheme has handed over £11.3 billion in surplus to the taxpayer, thereby helping, not hurting, public funds.

I congratulate my hon. Friend Baroness Cumberlege on the work that she did when she was a Health Minister in 1993. The report that she produced, "Changing Childbirth", is as relevant today as it was back then. Furthermore, the work of the Royal College of Midwives, under its very capable general secretary, Cathy Warwick, must be acknowledged. This organisation, which represents 95% of all practising midwives in the UK, does wonderful work that helps women and newborns across the country. The NCT has also given me an excellent briefing on this subject and I know that it supports the points that I wish to raise this evening.

There has been a decade-long baby boom, with 100,000 more babies born last year than in 2001. Rises in the number of midwives have gone some of the way towards catching up with this extra demand. Indeed, there has been an increase of 2,000 in the number of midwives in the last three years and more than 600 more places for student midwives than there were four years ago. However, those extra midwives have largely been swallowed up by the need to provide valuable one-to-one care in labour. This means post-natal care remains woefully inadequate. Extra demand has also come from growing complexity. Mothers are increasingly younger or older than before, and some mothers have serious weight problems. The conception rate for women aged 40 to 44 has doubled since 1991, while the teenage pregnancy rate in the UK remains the highest in western Europe. There have also been significant increases in multiple pregnancies and pregnancies to women with medical conditions that would previously have precluded childbirth. The caesarean section rate is also at a historically high level—just shy of one in every four births. More midwives would help to provide women with the level of antenatal care that would prepare them properly for labour and birth.

Currently we are almost 4,800 full-time equivalent midwives short, based on calculations using established midwifery work force planning tools. For too long, maternity services were not a priority within the NHS: spending on maternity care as a proportion of the NHS budget fell from more than 3% in 1997 to below 2% in 2006, and the share of the NHS work force made up of midwives fell throughout the Labour years. Indeed, while in 1997 there were more midwives in the NHS than there were managers, after 12 years of a Labour Government, by 2009 there were 18,000 more managers than there were midwives—a ridiculous situation. The contrast in what has happened to the two work force groups illustrates how focus may have slipped away from clinical care on to performance monitoring and the dreaded targets. It is the task of the new Government to ensure that midwives do not continue to be sidelined, that their work is valued and that focus returns to good quality patient care.

Aside from resources, however, is the question of policy. The recent White Paper promises that the Government will extend maternity choice but there are questions about how it will be achieved. Although the Labour Government often said the right things and made many promises in relation to choice, they failed to deliver. Progress in implementing choice for women throughout pregnancy, childbirth and the post-natal period was impeded by a lack of sustained investment in maternity services; insufficient recruitment of midwives; and a lack of prioritisation on the part of many commissioners and providers of maternity services. It is easy to assume that it saves money to consolidate, but I do not believe that in the medium to long term that is true.

The main issue with choice is location—the options being birth in a consultant-led unit in a hospital; birth in a midwife-led unit, which may or may not be on a hospital site; and birth at home. A midwife can handle more births in a year in a midwife-led unit or at home than in a hospital, so it is an issue of efficiency as well as choice. Capital investment to provide more midwife-led units is vital, but sadly the total number of such units has dropped significantly in the last two years.

The price of getting maternity care wrong is extremely high, as the cost of litigation shows, and in a time of austerity these are costs that the country simply cannot afford. Of the 100 biggest damages payouts made under the clinical negligence scheme for trusts, 79 derived from obstetric care, and of the total £3 billion paid out in damages under the CNST, almost £1.4 billion was down to claims deriving from obstetrics. Cutting corners in maternity care carries a heavy human and financial cost.

In conclusion, the Prime Minister has admitted that the profession is "stretched to breaking point", "overworked" and "demoralised". During the election, all three parties agreed that more midwives were needed to cope with the continuing shortfall. Rightly, the NHS was shielded from cuts in the comprehensive spending review, and this protection should mean that the Government can provide enough midwives to deliver the level of maternity care that women and newborns expect and thoroughly deserve.

Several hon. Members *rose—*

Mr Speaker: Order. I understand that the Members seeking to catch my eye have the agreement of both the hon. Member for Southend West (Mr Amess) and the Minister.

10.26 pm

Caroline Dinenage (Gosport) (Con): I will be brief, Mr Speaker. I just wanted to reiterate what my hon. Friend the Member for Southend West (Mr Amess) said. My constituency has a midwife-led maternity unit, Blake ward, at Gosport war memorial hospital, but it has been shut down temporarily on the basis that there are not enough midwives to cover the area. They have all been put into the Queen Alexandra hospital in Portsmouth. I am concerned about that because Gosport is a peninsula serviced by the A32, which is an unbelievably difficult road at the best of times, and I am worried that babies will be born somewhere along the road or on a roundabout.

I desperately wanted to bring that to everyone's attention, particularly the Minister's. The ward has only been shut until January, but this follows an incident earlier in the

[Caroline Dinenage]

year when the birthing pool was shut down. Now the ward has been shut down temporarily because of a baby boom caused by the snow earlier in the year. I sometimes feel that these are closures by stealth and that eventually the ward will be shut permanently. It is important that everyone understands the huge importance of these wards, particular the midwife-led maternity units, and especially in areas such as Gosport, which has high levels of social deprivation.

10.28 pm

Jason McCartney (Colne Valley) (Con): I congratulate my hon. Friend the Member for Southend West (Mr Amess) on securing this Adjournment debate. Maternity services are an emotional and controversial topic in my constituency, because Huddersfield royal infirmary consultant-led maternity services closed in August 2008. Mums now have to be transferred to Calderdale hospital if there are complications during birth. Many mums are opting for Halifax just to be safe. There is a new midwife-led unit at Huddersfield royal infirmary, but mums want specialist and emergency care available there too. In an emergency, the time it takes to travel to Halifax can be the difference between life and death for mother and baby. Many Departments of the coalition Government are championing localism, and rightly so. I therefore plead with the Minister to reconsider restoring full maternity care close to where mums need it most.

10.29 pm

Mrs Helen Grant (Maidstone and The Weald) (Con): In a few months, if the current plans proceed, there will be no consultancy-led maternity service at Maidstone hospital in my constituency, which means that every year, 2,000 mothers will be put at greater risk, and lethal consequences could follow. Maidstone is the county town of Kent, and is a growth point area. There are many areas of multiple deprivation, and we have high rates of teenage pregnancy, so we need a full maternity service. Our community has spoken out loud and clear against the reconfiguration plan. Thousands have signed petitions saying no. Our borough and county councillors have said no. The business community has said no. As a local resident and mother of two, I have said no, and in a survey with a 77% response rate, 97% of our GPs also said no.

We are not people who are resistant to change. We are not asking for anything new; we do not want anything extra. We simply want to retain our existing services, and make safe and genuine choices for our people. Choice, we are told by the trust, will be available to Maidstone mothers for the first time, but the choice is between a midwifery-led birthing unit with six beds for the county town of Kent, serving 250,000 people, or travelling to Pembury, Medway, Ashford or Dartford. However, mums with complications will have no local choice, and neither will mums needing an epidural, mums needing a caesarean section or mums who just want to know that they will have the best expertise and equipment available to them when their baby decides to come. The trust says that patients will vote with their feet, but it does not tell people that, if they want to remain in Maidstone, they cannot do so.

I have with me a bundle of letters to the Secretary of State for Health signed by more than 100 GPs in the Maidstone area. They say that the new journey times, over bad rural roads, are unacceptable. They say that the extra risk and stress to mothers in labour is unacceptable. Those GPs also say—this is really worrying—that it is a near certainty that some babies born in Maidstone may die or suffer brain damage while en route to Pembury or elsewhere. They are our GPs: they know exactly what they are talking about. They have voted. They have put their names down and they are saying no. They are talking about our mothers, our children and our babies. The campaign has been going for about two and a half to three years while I have been involved. It is about community, choice and safety. The evidence against downgrading is powerful and profound. The reconfiguration plan is very wrong and dangerous, and it will lead to fatalities. I urge the Secretary of State to reject the reconfiguration plan when he considers the matter imminently.

10.32 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): I will come to the speeches by other hon. Members when I have dealt with—that sounds awful, —my hon. Friend the Member for Southend West (Mr Amess).

I am aware that my hon. Friend has maintained an active interest in this issue for many years, and I congratulate him on securing the debate. I should like to start by agreeing with him that there is nothing in the world more wonderful than a baby being born. I have given birth to four children, at four different hospitals. As is the case for many parents, having a baby was the most amazing thing that has ever happened to me. Getting elected to this House was a close second, but nothing compares to giving birth.

Maternity care is so much more than a new arrival in the family. Pregnancy is a vital time for health promotion, and a time when parents are receptive to information and advice, and motivated to do the best for their children. For some of the more hard-to-reach people in our communities, pregnancy is one of the first opportunities that health service professionals have to talk to them about bringing up children, as well as about their own health and well-being. The impact that midwives can have is significant. Midwives and our maternity services can help us to tackle issues such as nutrition, physical activity and health inequalities, which are some of the biggest public health issues that we face. Later this year, the Government will publish a public health White Paper setting out more detail, but there is no doubt that pregnancy and childbirth are golden opportunities.

The Government set out their long-term vision for the future of the NHS in the "Equity and excellence: Liberating the NHS" White Paper. We are committed to extending choice in maternity, to enable women and their families to make safe, informed choices throughout pregnancy and about childbirth. Maternity networks will help to make this a reality. They will extend choice by encouraging providers to work together to offer expectant mothers and their families a broader choice of maternity services and to facilitate a woman's movement between the different maternity services that she might want or need. Networks will also need to work closely

with health visitors to ensure the very best support for families at this vital early stage in their child's life. The extra 4,200 new health visitors that we plan over the lifetime of this Parliament will complement the work of maternity services to improve support for all new families and help to ensure extra support for those who need it most. The White Paper consultation period closed earlier this month and we are now considering the responses from the various royal colleges, stakeholders and the public.

I should like to join my hon. Friend the Member for Southend West in commending the work of the Royal College of Midwives, of Cathy Warwick and of all those who have gone before us. He mentioned the noble Baroness Cumberlege's work on the "Changing Childbirth" report. That document has stood the test of time, with its insight into what is needed during this special time for families. I should also like to join the praise for the National Childbirth Trust. I am proud to say that I was chairman of its Hackney and Islington branch many years ago, when my first child was born. I certainly know only too well the contribution that it makes to many families.

Women and families who are well informed about the maternity care options available to them are more likely to receive the care that meets their particular needs, to feel more satisfied with their care and to feel confident about the transition to parenthood. In recent years, maternity services have faced increased challenges, including a rising birth rate and an increase in complexity in pregnancies. Demographic changes in childbearing, such as more women giving birth at a later age, increased rates of heart disease and obesity, and more births to mothers born outside the UK have resulted in a greater number of higher-risk births. We welcomed the recent guidelines produced by the National Institute for Health and Clinical Excellence on pregnancy and complex social factors.

Stephen Lloyd (Eastbourne) (LD): Will the Minister confirm that the organisations that she has mentioned, including the National Childbirth Trust, all emphasise, as my hon. Friends have done this evening, that a key part of pregnancy and maternity services is that they should be close to the mothers-to-be? I believe that that is a clear objective of the White Paper, as well as of many of the organisations and groups that have been mentioned. Will she confirm that that will be a thread running through the findings of the White Paper when they finally come before the House in the form of a Bill?

Anne Milton: Absolutely. Proximity to the people for whom we are trying to design services to meet their needs is vital.

I should like to mention the Marmott review, "Fair Society, Healthy Lives", which highlighted the strong associations between the health of mothers and the health of their babies. It also pointed to equally strong associations between the health of mothers and their socio-economic circumstances. This means that pre-conception care and early intervention before birth are as important as support during and after the birth. We need women to access maternity care early and for that to continue, exactly along the lines that the hon. Member for Eastbourne (Stephen Lloyd) suggests.

Family nurse partnerships will be extended so that we can provide the highly targeted, highly specialised support through pregnancy and the first years of life that the most vulnerable young families need. Our vision is for all women to have choice and equity of service standards and quality of care, wherever in England they are receiving care. However, we know that, in practice, not all women are offered a choice. "No decision about me without me" is what this is all about. It is about giving people the opportunity and support to make the choices that will make a difference to them, their babies and their families. It is also about giving them the information they need to exercise control, and of course the confidence to use it. Not all families find that easy.

The new outcomes framework proposes five national outcome domains covering all treatment activity across effectiveness, patient experience and safety. A number of indicators for maternity and children were proposed, including maternal death, infant mortality and the unexpected or unplanned admission of term babies to neonatal care. The consultation period has now closed and we are considering the responses. I hope that that will deal with many of the issues that have been raised this evening.

Midwives and the maternity team use their skill and compassion to help parents-to-be along their journey—a vital journey—to parenthood. We will make sure that any changes in services are led by local clinicians, patients and service users. The NHS White Paper is all about giving control of health services to the clinical staff who deliver them. My hon. Friend the Member for Maidstone and The Weald (Mrs Grant) spoke passionately about that this evening.

Effective skill mix in the maternity work force will be important. The NHS is focusing increasingly on utilising the whole maternity team and helping to use innovation and new technology to drive up the quality of care and deliver value for money.

In the next few months, we will receive information about women's experience of maternity services from surveys conducted by the National Perinatal Epidemiology Unit and the Care Quality Commission. These survey results will give us a clear and up-to-date picture of what women think about the maternity services they receive and what more needs to be done.

My hon. Friend the Member for Gosport (Caroline Dinenage) raised local concerns about the closure of the Blake. Although I am assured that it is due to open again in January next year, I know how very unsettling it is to have local services closed. It causes a loss of confidence among local people.

My hon. Friend the Member for Colne Valley (Jason McCartney) raised the closure of services in his area. I am sorry, but sadly we cannot always turn back the clock. I am delighted to hear that a new midwife-led unit has opened and I hope it will be possible to provide people with the services they need.

As I have already said, my hon. Friend the Member for Maidstone and The Weald also raised some constituency issues. Nobody but nobody could have done more or have campaigned harder on those issues. I know that the Secretary of State asked the strategic health authority to report to him at the end of September, and he now has that report. I am sure that my hon. Friend will agree that the Secretary of State must be allowed some time to consider the report's content.

[Anne Milton]

I thank my hon. Friend the Member for Southend West for calling this debate. He has raised a number of important points about maternity care and the provision of maternity services. Our White Paper gives us the chance to refocus the NHS on what is important to its users and staff, providing those services so that we achieve the results that are important to them—ensuring that all women and their families have access to the best possible care at this crucial time in their and their family's lives.

Question put and agreed to.

10.42 pm

House adjourned.

House of Commons

Wednesday 27 October 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Consumer Focus

1. **Cathy Jamieson** (Kilmarnock and Loudoun) (Lab/Co-op): What recent discussions he has had with the Secretary of State for Business, Innovation and Skills on the future provision of services currently provided by Consumer Focus Scotland. [18971]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Government carried out a review of the landscape of consumer protection bodies and will publish a consultation early next year with proposals to streamline and transfer the functions of Consumer Focus Scotland to Citizens Advice Scotland.

Cathy Jamieson: I thank the Minister for his answer. I know that he will be aware of the significant work done by Consumer Focus Scotland and indeed of the very worthy work of citizens rights bureaux in Scotland in upholding citizens' rights. A report published today highlights one trend of serious concern: the number of people approaching citizens advice bureaux regarding employment support allowance has almost doubled in the last 12 months. In the light of the damaging cuts to the welfare budget announced last week and the significant additional pressures it will put on citizens advice bureaux, what discussions have the Minister and Secretary of State had directly with Citizens Advice Scotland regarding the transfer of these functions?

David Mundell: The Scotland Office has been in dialogue with Citizens Advice Scotland—and, indeed, with the Scottish Government—about the services it currently provides and those it will provide if the functions from Consumer Focus Scotland are transferred to it. The hon. Lady makes an important point about the provision of advice, not just about the benefit she mentioned, but about all benefits.

Labour Statistics

2. **Katy Clark** (North Ayrshire and Arran) (Lab): What recent discussions he has had with ministerial colleagues on trends in levels of employment in Ayrshire; and if he will make a statement. [18972]

The Secretary of State for Scotland (Michael Moore): The Government are committed to creating the right conditions in Ayrshire and elsewhere to ensure sustainable economic growth and, with it, employment opportunities.

Katy Clark: I thank the Secretary of State for that answer. Has he had the opportunity to look at the Experian report, which has received some coverage in the press over the last few days? It says that, owing to the high dependence on public sector jobs and the poor performance in other sectors of the economy, North Ayrshire will be the part of Scotland that finds it most difficult to recover from the recession. Will he look at that report, consider what impact the loss of public sector jobs will have in North Ayrshire and meet colleagues who represent the area to discuss what needs to be done to protect the economy?

Michael Moore: I have seen the report and I appreciate the challenges faced in North Ayrshire and elsewhere. Our challenge as a Government is to tackle the deficit we inherited from the previous Labour Government, under whom unemployment was rising significantly. All the measures we have announced in the Budget and the spending review are designed to tackle that, but I would be happy to meet the hon. Lady and other colleagues to discuss the situation.

Ann McKechin (Glasgow North) (Lab): The Government have repeatedly stated that they always want to make work pay, but in areas such as North Ayrshire, which my hon. Friend the Member for North Ayrshire and Arran (Katy Clark) represents, many families that desperately want to work can find only temporary or part-time jobs. The charity Gingerbread reported this week that one third of all jobcentre vacancies are for jobs offering fewer than 16 hours a week, yet the Secretary of State's Government propose to remove working tax credits for all families working between 16 and 24 hours a week. How many hard-working families in Scotland will lose their credit because of this change? Will the right hon. Gentleman stand up and urge the Secretary of State for Work and Pensions to abandon this draconian measure?

Michael Moore: I welcome the hon. Lady to her post. She knows the Scotland Office well from her previous position as a Minister. I look forward to working with her on issues where we agree, although we will also have robust exchanges where there is room for disagreement. I am afraid that this issue is one such area. As I said to the hon. Member for North Ayrshire and Arran (Katy Clark) a moment ago, we inherited from the Labour Government the largest deficit in peacetime history—£155,000 million. The measures we announced in the Budget to help reduce corporation tax and the burden of national insurance and now the measures in the comprehensive spending review to invest in energy projects for the future show that we are setting out on our plan to get sustainable employment for the whole of Scotland.

Ann McKechin: I thank the Secretary of State for his initial remarks. I am sure there will be areas where we can work together, but on this issue his answer is certainly disappointing. Yet again his Government admit to taking twice as much from people with families as they do from our banks. His Government now propose a 10% cut in housing benefit entitlement for those on

jobseeker's allowance for more than 12 months—regardless of the fact that they have complied with all the rules and looked for work at every opportunity. Most people regard this as no better than a form of punishment. The Secretary of State missed the vote on the VAT rise; is he going to miss this vote, too, or will he now stand up for decency and fairness?

Michael Moore: What matters is for us to have a welfare system that supports those in need, helps them to get back into work, and, when they get back into work, makes work pay. All too rarely have the existing arrangements met those tests. We are determined to support those in need on an ongoing basis, and to ensure that the system is fair to those who need it and fair to those who pay for it.

Local Television Networks

3. **David Cairns** (Inverclyde) (Lab): What recent discussions he has had with representatives of the broadcasting industry in Scotland on the Government's plans for local television networks. [18973]

4. **Greg Hands** (Chelsea and Fulham) (Con): What discussions he has had with the Secretary of State for Culture, Media and Sport on the likely effects in Scotland of the implementation of the Government's proposals for local television networks. [18974]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Both my right hon. Friend the Secretary of State and I have met broadcasters to discuss a range of issues. We also have regular exchanges on broadcasting with ministerial colleagues.

David Cairns: Given the inevitable adverse implications for the BBC's programme-making budget of the massive real-terms cut in the licence fee, is it not more important than ever for us to encourage television production from all sources in Scotland? Can the Minister update me on the progress of the plan initiated by the last Government to grant qualifying independent producer status to STV?

David Mundell: I am aware of the hon. Gentleman's interest and expertise in broadcasting in Scotland. In answer to his question, I can tell him that an announcement will be made shortly.

Greg Hands: Local television is popular, and will make a real difference to communities in Scotland. The Minister will be aware that even the Scottish Government's own Scottish Broadcasting Commission has concluded that television should remain a reserved matter. Will the Minister undertake to work with his DCMS colleagues to ensure that any framework resulting from the Shott review takes account of Scotland's specific needs?

David Mundell: I agree with my hon. Friend. It was interesting to note that both the broadcasting commission established by the SNP Government and the Calman commission concluded that broadcasting should remain reserved. Nicholas Shott has visited Scotland, and has met various interested parties in the broadcasting sector there. I am sure that Scotland's particular needs will be taken into account when his final report is issued later this year.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): The television channel BBC Alba manages to be both local and national, but its funds are already parsimonious, and it is able to broadcast for only part of the day. May we have a assurance from the Government that its funding—already cut to the marrow—will be defended, and that the process of putting it on to Freeview, which has been delayed still further, will be sorted out soon?

David Mundell: The hon. Gentleman will be pleased to learn that I shall visit the offices of BBC Alba during a visit to the Western Isles on 5 November. The Freeview issue is clearly one for the BBC Trust, but I understand that it has not yet made a decision.

Renewable Energy

5. **John Thurso** (Caithness, Sutherland and Easter Ross) (LD): What discussions he has had with ministerial colleagues on expenditure on port infrastructure in Scotland for the development of marine renewable energy projects; and if he will make a statement. [18975]

The Secretary of State for Scotland (Michael Moore): I was delighted to visit my hon. Friend's constituency last month, and to find out more about the plans there for the development of marine renewable energy projects.

Scottish Ministers can direct Ofgem to pay an amount from the Scottish fossil fuel levy account to the Scottish Consolidated Fund, which could be used for such projects. If Scottish Ministers do that, they will benefit from our arrangements for the devolution of at least £250 million for Scotland from the green investment bank.

John Thurso: I am sure that my right hon. Friend is aware of the immense potential of the Nigg yard in Easter Ross. Is he also aware that its current owner, KBR, has declined to use it, and is dragging its feet over selling it? Will he make it clear to KBR that a speedy completion is necessary to return the yard to use and create important jobs?

Michael Moore: When we visited Scrabster and other parts of my hon. Friend's constituency, I was impressed by the serious efforts that are already being made to develop marine renewable projects in the far north. I recognise my hon. Friend's concern about the situation at Nigg, and his comments will have been heard by the management team there. It is important for us to secure, across Scotland, as much investment as possible in the new renewables projects. I hope that the Scottish Government will respond positively now that we have ring-fenced money in the green investment bank.

Gordon Banks (Ochil and South Perthshire) (Lab): What representations has the Secretary of State made on behalf of Scotland for the green investment bank to be located there?

Michael Moore: The hon. Gentleman and others are making a strong case for that, and I am certainly interested in working with colleagues in all parts of the House to make the strongest possible case for it as well.

Mr Alan Reid (Argyll and Bute) (LD): I am sure that the Secretary of State will be aware of the announcement earlier this week that Danish company Skykon has suspended payments to creditors. Skykon owns a factory in my constituency that makes towers for wind turbines and it was building a new factory. Will he do his best to ensure that that partially completed factory is completed and goes into production, protecting badly needed jobs and producing towers for the wind industry?

Michael Moore: Like my hon. Friend, I regret the announcement that was made. I realise that that will have a huge impact on that community in his constituency. It is important that we get to the bottom of this and understand the reasons behind it, but I hope that, working with the Scottish Government and through any meetings that he and I might have, we will be able to work our way through this.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I ask the Secretary of State to join me in pressing for the green investment bank to be based in Scotland, to take a bit of initiative and to put some urgency and energy into that matter, because, given the level of expertise and knowledge in Scotland, it is the ideal place for the green investment bank to be based.

Michael Moore: First, I am delighted to have the opportunity to welcome the hon. Gentleman to his new responsibilities. Like the shadow Secretary of State, he knows the Scotland Office very well and I look forward to our encounters across the Dispatch Box and to working together where we can. The decision on the location of the green investment bank has still to be taken. His comments, those of his hon. Friends and those of Members on the Government Benches are strongly made, and I will work with everyone to make the best possible case for Scotland.

Universal Credit

6. **John Glen** (Salisbury) (Con): what discussions he has had with the Department for Work and Pensions on the implementation in Scotland of proposals to establish a universal credit. [18976]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Secretary of State and I have been in contact with Ministers from the Department for Work and Pensions about a number of aspects of welfare reform in relation to Scotland.

John Glen: I thank my right hon. Friend to that reply. Many areas of Scotland, notably Glasgow, have suffered from the previous Government's shameful failure to reform welfare over the past 13 years. Does he agree that, far from fearing the universal credit and the work programme, those areas, particularly Glasgow, will benefit because it will pay to be in work and there will be more help into employment for those who need it?

David Mundell: I do agree with my hon. Friend. Our programme is designed to support those who are in the most need but also to ensure that work always pays.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): On the question of work, or the lack of it, the Minister will have doubtless seen the national publicity around Irvine, because of the demise of the development corporation, created by a previous Conservative Administration. Does he believe that it is now time to bring back the Irvine development corporation?

David Mundell: The hon. Gentleman is always a strong advocate for interests in his constituency, but he will know that responsibility for that particular one rests with the Scottish Government.

Malcolm Bruce (Gordon) (LD): The Minister will be aware that the pilot scheme for getting people off incapacity benefit and into work is under way in Aberdeen, and it will be a desirable outcome if people can be freed from benefit. May I share with him the experience of a constituent who came to see me this week? He said that he had just successfully got DLA, incapacity benefit and carer's allowance, but it required three separate applications and two medical examinations, which involved two separate doctors being sent from Glasgow to carry out the examinations. Is that not an example of how incompetently inefficient the system currently is?

David Mundell: Yes. The right hon. Gentleman is correct to highlight the inefficiencies of the current system, which is why the coalition Government are committed to the reform of the welfare system. It is an issue that I will draw to the attention of the Minister at the Department for Work and Pensions who will visit Scotland tomorrow.

Referendums

7. **Ian Lucas** (Wrexham) (Lab): if he will discuss with the Deputy Prime Minister the merits of enabling UK-resident Scots living outside Scotland to vote in any future referendums on the relationship between the UK Government and the Scottish Executive. [18977]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Government have no plans for a referendum on the relationship between Scotland and the rest the United Kingdom and, as far as I know, neither do the Scottish Government. The franchise for a referendum is normally provided for in the legislation setting the referendum question and rules.

Ian Lucas: I thank the Minister for that reply. My constituent, Mrs Massey, is a Scot and British. Why should she be excluded from any future vote on the arrangements for Scotland within the UK?

David Mundell: I am sure that, like me, the hon. Gentleman will do everything he can to campaign to retain Scotland's place in the United Kingdom, and I see no immediate prospect of any such referendum.

Miss Anne McIntosh (Thirsk and Malton) (Con): I am an enthusiastic campaigner for British people living abroad obtaining the vote in all elections after they have lived abroad for 25 years. Can my right hon. Friend explain what the Labour Government spent the previous 13 years doing and why they did not implement this policy before the general election?

David Mundell *rose—*

Mr Speaker: Order. May I suggest that the Minister's reply should be focused exclusively—and, I hope, briefly—on the policy of the Government rather than on that of the official Opposition?

David Mundell: The Government will have noted my hon. Friend's representations.

Comprehensive Spending Review

8. **Michael Connarty** (Linlithgow and East Falkirk) (Lab): What discussions he has had with the Chancellor of the Exchequer on the implications of the mechanisms for calculating the effects of the comprehensive spending review year on year in Scotland. [18978]

The Secretary of State for Scotland (Michael Moore): The Scottish Government's budget is calculated using the Barnett formula. The Chancellor has set out a decisive plan to reduce the UK's unprecedented deficit and restore confidence in the UK economy. For Scotland, the spending review provides a fair deal in tough times.

Michael Connarty: The Secretary of State has not answered the question. I was asking about the year-on-year calculations. Is it not a fact that his Tory puppet-masters offered the Scottish National party Government a deal whereby there is less of a cut in the first year and more of a cut in future years to help the SNP in its efforts to get re-elected as the Scottish Government? Will the Secretary of State talk about the implications year on year for future years, when Scotland will be punished more than it is being this year?

Michael Moore: May I reassure the hon. Gentleman that his fears about political machinations are ill founded? I can confirm, however, that, in response to a request from the Scottish Government, flexibility was given to transfer some of the in-year savings from the current financial year to future years. It is for the Scottish Government to respond to, and make decisions on, such matters, and they are accountable for the spending choices they will make for the next four years.

Angus Robertson (Moray) (SNP): The UK Government have known for months the social and economic consequences of defence cuts in Scotland, so will the Secretary of State confirm what specific resources were allocated as part of the comprehensive spending review to mitigate the effects of base closures?

Michael Moore: I welcomed the opportunity to meet the hon. Gentleman in Moray last week. I recognise that the decisions taken in the defence review following an overall assessment of Britain's national security needs have not been good for him and his constituents, and I appreciate that there is a lot of concern about the future. I repeat today what I said in Moray: I am happy to work with the hon. Gentleman to ensure we work through the consequences of this.

Angus Robertson: So, one week after the closure announcement, is the Secretary of State confirming to the House today that no specific resources have been put in place and that the UK Government are providing no support on the ground in places such as Moray?

Michael Moore: I am happy to repeat what I made clear to the hon. Gentleman when we were in Moray: we will work with him, the taskforce and others who are interested in the future of the Moray bases to ensure we resolve things as well as possible. May I also assure the hon. Gentleman, particularly since he has raised this issue separately this week, that no decision has been taken on the future of the Tornadoes at RAF Lossiemouth?

Mr Speaker: Order. As usual at this time, far too many private conversations are taking place in the Chamber. That is very unfair on the hon. Member asking the question and the Minister answering it. Let us have a bit of order, therefore.

Higher Education

9. **Sheila Gilmore** (Edinburgh East) (Lab): What recent discussions he has had with the Secretary of State for Business, Innovation and Skills on the implications for cross-border students of the Government's proposals for higher education funding. [18979]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): My right hon. Friend the Secretary of State for Business, Innovation and Skills announced the publication of Lord Browne's report on higher education and student finance on 12 October 2010. The Government plan to publish a White Paper outlining detailed proposals in the winter.

Sheila Gilmore: There are obviously considerable consequences for Scotland in any proposals to reduce the teaching grant because of the proposals on loans. What discussions have taken place about the possibility of large numbers of English students wishing to study in Scotland, to the detriment of Scottish students?

David Mundell: The hon. Lady raises an important point. Her question is one of those posed by Lord Browne's report, and it will need to be addressed through debate and consultation. We intend to publish a White Paper in the winter leading, subject to parliamentary time, to a higher education Bill in autumn 2011.

Election Dates

10. **Mark Menzies** (Fylde) (Con): What discussions he has had with the Deputy Prime Minister on whether to hold elections to the Scottish Parliament on the same day as the proposed UK general election in 2015. [18980]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Government have made it clear that they will work with all the devolved Administrations and legislatures to consider the issues raised by the coincidence of elections in 2015.

Mark Menzies: Does the Minister agree that when we get to the 2015 elections the new equal-sized boundaries will ensure a far fairer result than those held under the current set-up?

David Mundell: Yes, I agree with my hon. Friend, and I am sure that he will welcome, as I do, the protection of important constituencies in Scotland such as Orkney and Shetland, and the Western Isles.

Mr Russell Brown (Dumfries and Galloway) (Lab): I recognise that the Minister has read the Gould report. Is he now saying that he disagrees with its central finding that two ballots on different issues in different systems should not be held on the same date?

David Mundell: I agree with Ron Gould's submission to the Scottish Affairs Committee, in which he said that although he would prefer the referendum on AV and the Scottish elections to be held on different days, he saw no reason why they should not be held on the same day and did not anticipate that causing the same confusion that arose in 2007.

Devolution

11. **Alun Cairns** (Vale of Glamorgan) (Con): What recent discussions he has had with ministerial colleagues on the relationship between the UK Government and the Scottish Executive under the devolution settlement. [18981]

15. **Robert Halfon** (Harlow) (Con): What recent discussions he has had with ministerial colleagues on the relationship between the UK Government and the Scottish Executive under the devolution settlement. [18985]

The Secretary of State for Scotland (Michael Moore): I have discussions with ministerial colleagues on a range of issues, including the relationship between the UK Government and the Scottish Government under the devolution settlement. We will introduce a Scotland Bill in the near future, which will implement our proposals for strengthening and deepening the devolution settlement for Scotland.

Alun Cairns: Does the Secretary of State believe that the public in Scotland recognise the need to tackle the budget deficit? If so, will he condemn the Scottish Executive for manufacturing disagreements with the Westminster Government and encourage them to work constructively with the Scotland Office on tackling the budget deficit?

Michael Moore: I certainly agree with my hon. Friend that the settlement for Scotland was better than the Scottish Government anticipated, and it should now be for them to get on with setting out their plans for not only the next year, but the next four years.

Robert Halfon: Does the Secretary of State recognise that residents in my constituency and elsewhere believe that alongside his plans for Scottish devolution, England deserves a fair constitutional settlement, with English votes for English laws?

Michael Moore: The hon. Gentleman's passionate case has been heard in a very busy Chamber, but I am concentrating on getting on with the continuation of Scottish devolution.

Mr Jim Hood (Lanark and Hamilton East) (Lab): Will the Secretary of State accept that this would be an excellent subject for discussion in the Scottish Grand Committee? Can he have a word with the Leader of the House, who is sitting two up from him, so that we can immediately initiate the next meeting of that Committee, which has not sat for many a year?

Michael Moore: I pay tribute to the hon. Gentleman for his unhesitating campaigning on this issue, but may I gently point out to him that the imminent publication of the Scotland Bill means that there will be more than a little chance to debate these issues?

Pete Wishart (Perth and North Perthshire) (SNP): Does the Secretary of State not agree that the relationship between Westminster and the Scottish Government has gone from being one of respect to one of almost total contempt? Why will the UK Government not consult the Scottish Government in advance about very important constitutional issues?

Michael Moore: I am absolutely astounded by the hon. Gentleman's charge because, unlike the previous Government, we have gone out of our way to work with the Scottish Government to ensure that this takes place. *[Interruption.]* We cannot get around the fact that there are fundamental disagreements about the way we see the constitutional settlement developing, but I say to him that we have been sharing information and discussing things with his ministerial colleagues in Scotland regularly, and we will continue to do so—I hope that they will engage.

Mr Speaker: Order. There is still far too much noise in the Chamber. I want to hear Mr Frank Doran.

Mr Frank Doran (Aberdeen North) (Lab): Thank you very much, Mr Speaker. The Secretary of State will be aware that—

Mr Speaker: First, we must take Question 12.

Oil and Gas Industries

12. **Mr Frank Doran** (Aberdeen North) (Lab): When he last had discussions with representatives of the oil and gas industries on the future of that industry in Aberdeen. [18982]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Both my right hon. Friend the Secretary of State and I meet frequently representatives of the oil and gas industry. The UK Government recognise the ongoing needs of the industry and its commitment to the future of the UK continental shelf.

Mr Doran: I am sorry for that, Mr Speaker, but it is what happens when we do not expect to be called.

The Secretary of State will be well aware that the oil and gas industry is a global one and that its European headquarters is in my constituency. He will also be aware of the serious problem of skills shortages, and of the fact that the industry depends on the skilled people it can bring in from other countries and on exporting our knowledge. What is he doing to assist with the removal of the cap, which is seriously damaging the oil and gas industry and other industries in this country?

David Mundell: Oil & Gas UK has submitted replies to both consultations run by the Home Office and the Migration Advisory Committee. The consultation responses are now being considered and early outcomes are expected before the end of December. Lin Homer, the UK Border Agency chief executive, met representatives of the oil and gas sector on 9 September.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I remind the House of my entry in the Register of Members' Financial Interests as a shareholder of Shell. May I reinforce to the Minister the concerns in that global industry now that it is so much into the export market? Not only is there the problem of work permits and getting people into this country, but, because of the way we treat people coming to this country, it is more difficult to get skilled people into other countries where we have an export market.

David Mundell: I take the hon. Gentleman's points on board. He will recognise that the potential of the industry has been recognised again this morning with a statement to the House about the potential award of 144 seaward production licences in the 26th oil and gas licensing round.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [19518] **Harriett Baldwin** (West Worcestershire) (Con): If he will list his official engagements for Wednesday 27 October.

The Prime Minister (Mr David Cameron): I am sure that the whole House will wish to join me in paying tribute to Corporal David Barnsdale from 33 Engineer Regiment (Explosive Ordnance Disposal), who died on 19 October. He was a brave and highly skilled member of our armed forces whose service and sacrifice must not be forgotten. Our thoughts must be with his family, his friends and his colleagues.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Harriett Baldwin: May I associate myself with the condolences expressed by my right hon. Friend?

Does the Prime Minister agree that yesterday's excellent growth numbers show that the private sector is growing and will create the jobs that my constituents need? *[Interruption.]*

The Prime Minister: My hon. Friend is entirely right. The growth figures yesterday were twice as good as market expectation. Of course, Opposition Members do not like good news, but they should celebrate it when it comes. This was strong growth, largely driven by the private sector, and it was accompanied by the Standard & Poor's agency saying that we should no longer be in the danger zone for our credit rating, which is welcome news. Opposition Members who are waiting for a double dip have had a bit of double depression, but I am sure that we will get lots of questions about the economy this morning.

Edward Miliband (Doncaster North) (Lab): May I start by joining the Prime Minister in paying tribute to Corporal David Barnsdale from 33 Engineer Regiment (Explosive Ordnance Disposal)? He died serving his country; we honour his memory and send the deepest of condolences to his family.

There are reports this morning that the Government are reconsidering aspects of their housing benefit reforms. Are they?

The Prime Minister: No, we are bringing forward our plans for housing benefit reform. Let me tell the right hon. Gentleman why we are doing that. Housing benefit for working-age people over the last five years has gone up by 50%. This is a budget that is completely out of control. The proposals we are bringing forward are difficult, but they need to be done, not least because we want to make sure that we protect the schools budget. We want to make sure that we protect the NHS budget. That is why we are taking difficult decisions about welfare and I hope that he will be able to tell us this morning whether he is going to support them.

Edward Miliband: I thank the Prime Minister for that answer. Let me get complete clarity from him. The Secretary of State for Work and Pensions is reported as saying that the Government are "open to suggestions" on the issue of housing benefit. Is the Prime Minister saying that all the aspects of housing benefit reform are fixed and are not going to change?

The Prime Minister: We are going forward with all the proposals that we put in the spending review and in the Budget. I am sure that we would all love some suggestions from the right hon. Gentleman.

Edward Miliband: This is Prime Minister's questions—the clue is in the title. He is supposed to answer the questions. I have a specific question for him on one aspect of the housing benefit changes. The plan is to cut by 10% the housing benefit—the help with rent—that someone receives after they have been out of work for a year, even as they have been searching for work. Does the Prime Minister think that that is fair?

The Prime Minister: These are difficult changes, but I think that they are right. Everyone on jobseeker's allowance is expected to work, and everyone knows that there is a problem when people claim jobseeker's allowance and maximum housing benefit for long periods of time, which creates a serious disincentive to work. That is why we are making this change, and that is why it is right.

The key change that we are looking at is the £20,000 cap on maximum housing benefit claims. Is the right hon. Gentleman really saying—*[Interruption.]* I am answering the question. I know that Labour Members do not like the answer that we are sticking to our plans, but we are sticking to our plans. The point that everyone in this House must consider is whether we are happy to go on paying housing benefit of £30,000, £40,000 or £50,000. Our constituents are working hard to give benefits to other people to live in homes that they themselves cannot dream of, and I do not think that is fair.

Edward Miliband: The whole House has heard that the Prime Minister has dug himself in on the proposal to cut by 10% the help that people receive with rent after they have been out of work for a year. I ask him, because he will have obviously thought about this, what advice he would give to a family who are seeing 10% of their income from housing benefit being taken away.

What advice would he give them, when they are seeing such a large cut in their income, on how they should make ends meet?

The Prime Minister: In the Work programme, we will have the best and biggest programme to help those people back into work. It will not just be the state doing it; we are going to get training companies and voluntary bodies to help those people into work. I know that the right hon. Gentleman likes figures, so let me give him the figures for London. There are 37,390 people who have been on jobseeker's allowance for more than a year, and those people would be affected by this change—I accept that; it is difficult. Every month, there are 30,000 new vacancies in London, which makes 400,000 vacancies a year. We want to get those people back into work. What does he want to do?

Edward Miliband: The Prime Minister is about to make 500,000 people redundant as a result of the cuts announced by the Chancellor of the Exchequer. It is clear that his policy on housing benefit is a complete shambles. He has talked about London, but in London alone councils are saying that 82,000 people will lose their homes—they are already booking the bed-and-breakfast accommodation. How many people does he think will lose their homes as a result of that policy?

The Prime Minister: If we are prepared to pay—as we are—£20,000 in housing benefit, there is no reason why anyone should be left without a home. The Leader of the Opposition has talked about economic policy and cuts, and we now know from the Labour party's own memorandum what its cuts would be. This is not the Institute for Fiscal Studies, the Government or the Conservative party; this is a Labour memorandum. It said that the cuts—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the Prime Minister. Members must remain calm—if they are not serene, then they must at any rate be calm at all times. We must hear the Prime Minister.

The Prime Minister: The people responsible for making the mess should be quiet when they are told how it will be cleared up. The Labour memorandum states that the cuts implied by its spending plans would have been £44 billion in 2014-15. Those are the Labour party's cuts, which we are having to implement. I was always told that if you have got nothing to say, it is better not to say it.

Edward Miliband: We can see the faces on the Liberal Democrat Benches. The hon. Member for Bermondsey and Old Southwark (Simon Hughes) has described that policy as "harsh and draconian". No wonder he looks glum. Then we have glummer, the Deputy Prime Minister—it is no wonder that he is back on the fags. Is not the truth that the Prime Minister just does not get it? He is out of touch. Other people will pay the price for his cuts. Is it not time that he thought again on housing benefit?

The Prime Minister: We all had the chance to read about it in *The Times* this morning—the advice to the Leader of the Opposition:

"It's important to have a cheer line that goes down well in the chamber."

You have to have something that

"can be clipped easily by the broadcasters",

and:

"It is important to get to your feet looking as if you are seizing on something new."

The right hon. Gentleman has a plan for Prime Minister's questions, but he has no plan for the economy, no plan for the debt and no plan for the mess Labour made—absolutely nothing worth while to say. That is it.

Christopher Pincher (Tamworth) (Con): Will the Prime Minister join me in congratulating Ocado on creating 2,000 much-needed new jobs on the edge of Tamworth? While he is at it, will he congratulate the chief executive, Tim Steiner, on making it clear that he supports the difficult decisions that the Government are making to fix our finances and promote growth—decisions that the Labour party flunked?

The Prime Minister: My hon. Friend makes a very good point. Business leaders in Britain who are going to create the jobs that will employ thousands of people in our country support what the Government are doing and they want us to follow it through. I am happy to congratulate the person running Ocado, not least because I am one of its customers.

Q2. [19519] **Mr David Blunkett** (Sheffield, Brightside and Hillsborough) (Lab): The Prime Minister sets great store by devolving decision making to ordinary people. That already exists, of course, with the Welsh Assembly—population 3 million and devolved budget of £14.5 billion—and the Scottish Parliament, with a population of 5 million and, even after the cuts, a budget, through the block grant, of £27.3 billion. Using the formula applied to Wales, the 5.2 million people of Yorkshire would be entitled to a devolved budget of £24 billion. Can he think of one single reason why the people of Yorkshire should not determine their own priorities and, mischievously, one reason why they should not have their own white rose Parliament?

The Prime Minister: I did not know that the right hon. Gentleman, for whom I have considerable respect, was making these arguments all through the past 13 years. This is a revelation. We are saying to councils in Yorkshire and up and down the country, "We're getting rid of the ring-fences and giving you the power to spend your money in the way that you choose." We have got rid of the bossy, centralising, interfering approach that I am afraid he was rather part of.

Tessa Munt (Wells) (LD): Is the Prime Minister aware that more than 420 people died in Somerset last winter from causes related to cold and poor living conditions? Will he join me in supporting a local charity, the Somerset Community Foundation, which has a surviving winter appeal whereby all those who can forgo all or part of their winter fuel payment can donate the money for redistribution to those for whom it is not nearly enough?

The Prime Minister: I will certainly join the hon. Lady in congratulating the charity on the work it does. It sounds absolutely essential. I know that she will welcome, as I did, the decision by the Chancellor in the

spending statement that cold weather payments would be put on the higher level permanently, not just before the election.

Q3. [19520] **Mr Eric Illsley** (Barnsley Central) (Lab): Yorkshire Forward, the Yorkshire regional development agency, owns assets in my constituency in Barnsley that are crucial for a major redevelopment programme in the town centre. Will the Prime Minister look urgently at ensuring that the ownership of those assets is transferred from Yorkshire Forward to the local authority so that the programme can go ahead? Could that transfer be facilitated before the body's abolition in 2012?

The Prime Minister: The hon. Gentleman makes a good point. The transition from regional development agencies to the new local enterprise partnerships has to be handled carefully, ensuring that such assets are put to good use. So far, the proposals for local enterprise partnerships that are coming in are extremely encouraging and will lead to more of what the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) talked about—more control locally rather than in distant regions that people do not identify with.

Mr Andrew Turner (Isle of Wight) (Con): It is claimed that the EU will need a new treaty to legitimise money going to Greece. What is the Prime Minister's response?

The Prime Minister: The argument being put forward, particularly by the Germans, is that a new treaty clause is needed to put the eurozone on a stronger footing. Clearly, from our point of view, we are not in the euro and we are not planning to join the euro, so any treaty change would not apply to us—just as, in terms of the new rules on the stability and funding mechanism, we have always had a carve-out from them. We shall be discussing that at the European Council this week.

The greatest priority for Britain should be to fight very hard to get the EU budget under control. It is completely unacceptable, at a time when we are making tough budget decisions here, that we are seeing spending rise consistently in the European Union. I think that is wrong and I shall be doing everything I can to try to sort out the budget for next year, and also to look at the future financing of the European Union, where we want to see strict controls. That should be our priority.

Q4. [19521] **Kate Hoey** (Vauxhall) (Lab): The Prime Minister must realise that the British public are facing cuts in services and in their livelihoods. They do not want to see a single penny more given to the EU. In fact, they would like to see brought back some of the money that was given away, unfortunately, by our Prime Minister. Will this Prime Minister please ensure that when he goes into battle for our money, he does not—as happens to many leaders when they are involved in that bloated bureaucracy—roll over? Will he promise that if the EU demands that money, we will just say, "Sorry, we're not paying"?

The Prime Minister: As ever, the hon. Lady talks a good deal of sense. It is worth recalling that since Margaret Thatcher won that rebate at Fontainebleau it has saved Britain £88 billion. That is what tough negotiation achieved. The European Parliament has insisted on a higher budget than the one set by the Council, so the first thing we have to do is to say that is not acceptable, and build a majority on the Council to get the budget down again. It pains me to say this to the hon. Lady, but we would be assisted if Labour MEPs did not keep voting for higher budgets, which is exactly what they did this week.

Q5. [19523] **Andrew Bingham** (High Peak) (Con): Last year, the Prime Minister saw how High Peak borough council, through a pioneering alliance with Staffordshire Moorlands, had delivered efficiency savings of almost £2.4 million over the past two years. Will he assure the House that he will strive to support councils such as High Peak, which have sought to deliver better value for money and ensure that local people benefit as a result?

The Prime Minister: My hon. Friend makes an extremely good point. My council does exactly the same thing: it shares a chief executive, and soon more of the management team, with a neighbouring council. All councils can look at that. Frankly, it is not just councils—police forces and other organisations can look at shared services to drive down costs, so that we make sure we focus on the front line. Those are some of the reforms we need, to make sure that at a time of tight budgets we keep the good services we want.

Angus Robertson (Moray) (SNP): In a few weeks' time, the Prime Minister will decide whether he will close RAF Lossiemouth, in addition to closing RAF Kinloss, which would lead to the biggest loss of jobs in Scotland since the Tories closed manufacturing industry in the 1980s. As a consequence, that would mean that Scotland would have fewer service personnel, fewer military bases, aircraft, vessels and Army battalions and less defence spending than all our independent Scandinavian neighbours of comparable size. Will the Prime Minister explain why he is concentrating defence spending in the south and cutting defence spending disproportionately in Scotland?

The Prime Minister: We are going ahead with the aircraft carriers, which are being built in Scotland. I have to say to the hon. Gentleman that if we had an independent Scotland, he would not be flying planes but flying by the seat of his pants.

Q6. [19524] **Dr Julian Huppert** (Cambridge) (LD): Can the Prime Minister reassure the House that the Government have no plans to revive Labour's intercept modernisation programme, whether in name or in function, and that he remains fully committed to the pledge in the coalition agreement to reverse the substantial erosion of civil liberties and to roll back state intrusion?

The Prime Minister: I would argue that we have made good progress on rolling back state intrusion in terms of getting rid of ID cards and in terms of the right to enter a person's home. We are not considering a central Government database to store all communications information, and we shall be working with the Information Commissioner's Office on anything we do in that area.

Paul Goggins (Wythenshawe and Sale East) (Lab): Ending child trust funds will close off a route for children in care to build up a modest nest egg, with which they could start their future life as adults. Will the Prime Minister ask his Treasury colleagues to work with me and others to devise an affordable alternative that will give looked after-children the prospect of an asset they can rely on?

The Prime Minister: I am very happy to ask my colleagues to work with the right hon. Gentleman because we all want to see saving encouraged, but I am afraid that when it came to the child trust fund we had to take a difficult decision, which was that that was £500 million we needed to save. My right hon. Friend the Chancellor and I sat on the Committee considering the Bill that introduced child trust funds, but we have to take some difficult decisions on spending, and that was one of them. Can we look at alternative ways of encouraging saving? Yes, we can. We are happy to work with the right hon. Gentleman.

Q7. [19525] **David Rutley** (Macclesfield) (Con): I know the Prime Minister is aware that last week's decision to cancel the Nimrod programme will lead to the early closure of the BAE Systems Woodford site near Macclesfield. Does my right hon. Friend agree that it is now an important priority for the Ministry of Defence to work closely with BAE to ensure that the dedicated and highly skilled staff get the best possible support for both retraining and redeployment?

The Prime Minister: My hon. Friend is entirely right. The MOD should work closely with BAE and with his constituents, who have worked extremely hard over many years to produce that equipment, to make sure there is a strong future. We have had to make difficult decisions in the defence review, and we have made the difficult decision about Nimrod, but in terms of BAE as a whole, we will be spending £17 billion with that company between now and 2015 on a range of projects, including the A400M. But my hon. Friend is right—we should make sure that we help those people to find new jobs.

Q8. [19526] **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): Video games development is a highly skilled, low-carbon creative industry that provides more than 600 jobs in my constituency and is important for the north-west as a whole. Before the election, all three main parties pledged to introduce a video games tax relief so that we can compete internationally on a level playing field. Why have the Government reneged on that promise?

The Prime Minister: We had to make difficult decisions about tax relief—*[Interruption.]* Opposition Members groan. Can we think of one thing they will support to get the deficit down? I cannot think of a single thing. We have to take difficult decisions, and I am afraid that that tax relief, which was not particularly successful or well targeted, must go. Those are the difficult decisions that we have to take.

Q9. [19527] **Rehman Chishti** (Gillingham and Rainham) (Con): Can the Prime Minister confirm that the Government have no plans at all to build an airport in the Thames estuary, or in Medway or Kent?

The Prime Minister: The Department for Transport has no plans for a new airport in the Thames estuary or in any other part of Medway or Kent and, as my hon. Friend knows, we have scrapped the plan to build a third runway at Heathrow.

Siobhain McDonagh (Mitcham and Morden) (Lab): As a former PR man, does the Prime Minister agree that no matter how much Bell Pottinger tries to spin the Sri Lankan Government, the demands for an international independent war crimes tribunal intensify as more evidence of alleged assassination and civil rights abuses comes out?

The Prime Minister: The hon. Lady makes a fair point. We need to see an independent investigation of what happened. Everyone has read the papers and seen the TV footage, but we need an independent investigation to work out whether what she suggests is right.

Q10. [19528] **Mark Pawsey** (Rugby) (Con): The development of land without planning permission for use as Gypsy and Traveller sites is of concern to many communities, including the villages of Barnacle and Bulkington in my constituency, where local residents have had to put up with illegal developments on their doorstep, although they are pleased with the proposals of the coalition Government to give additional powers to local authorities to deal with the matter. Will the Prime Minister acknowledge the wish of my constituents to see those powers made available at the earliest opportunity?

The Prime Minister: As my hon. Friend probably knows, we will bring forward the localism Bill. It is important, as I have said before, that everyone obeys the law of the land, including that on planning. That should apply to Gypsies and Travellers as well. In the localism Bill we will make sure that it is worth while for local authorities to go ahead with development—they should see a benefit when houses are built, whereas at present there is so little benefit for local areas in getting businesses in and getting homes built. There should be a benefit where they make available sites for Gypsies and Travellers, but that should not be done on the basis of lawbreaking, which it all too often is at present.

Emma Reynolds (Wolverhampton North East) (Lab): In July the Education Secretary promised that Wolverhampton's Building Schools for the Future programme would be unaffected by cuts. Can the Prime Minister confirm that the much needed refurbishment of secondary schools across the city will go ahead as planned, and not suffer devastating cuts of 40%?

The Prime Minister: I am afraid that what happened was that the previous Government set out 50% cuts—*[Interruption.]* I know the Opposition do not like hearing it. They set out 50% cuts in capital spending, but did not tell us where one penny piece was going to come from. That is what happened. We have had to scrap the unaffordable and badly put forward Building Schools for the Future programme, but in the spending plans for the next four years are £15 billion additional capital for school building, so there are plenty of opportunities for additional school building, and not just secondary schools, but primary schools as well. That is what we will be making available.

Q11. [19529] **Neil Carmichael** (Stroud) (Con): In my constituency, Stroud college, a further education college, has launched an engineering centre to encourage training and apprenticeships. Does the Prime Minister agree that in the light of the encouraging economic figures, such programmes should be supported by business?

The Prime Minister: My hon. Friend is absolutely right. We are making sure that money goes into FE colleges. That is essential for the skills agenda of the future, and we want to free up those colleges to have more agreements with business. In the past they were over-regulated in respect of the courses they could run and the qualifications they could offer. We want to see much greater collaboration between FE colleges so that we get the skills that we actually need.

Mr Tom Harris (Glasgow South) (Lab): Until 18 months before the general election, the Prime Minister supported Labour's spending plans. At what point did he decide to rewrite history?

The Prime Minister: We realised that the spending plans were unaffordable, and we came off them. We went into the last election promising to make spending reductions. It needed to be done, and I remember sitting where the right hon. Member for Doncaster North (Edward Miliband) is, week after week, asking the former Prime Minister, "Aren't you really saying there are going to be cuts?", and he said, "No, no cuts. There won't be any cuts." Do you remember? It happened week after week. Now we have the evidence from Labour's own memo. It was planning £44 billion in cuts, and not a word about it to anyone. That is thoroughly dishonest.

Q12. [19530] **Sajid Javid** (Bromsgrove) (Con): Yesterday, the international credit rating agency Standard & Poor's said something that would make Opposition Members quite upset. It upgraded our nation's credit outlook from negative to stable, but will the Prime Minister also heed its warning that that credit rating upgrade would be at risk if, in its own words,

"against our expectations the coalition's commitment to fiscal consolidation faltered

The Prime Minister: That is an absolutely vital point. It was this Government's changes that took the British economy out of the danger zone, and since the election we have seen interest rates coming down in Britain, whereas in some other countries they have been going up. Why? Because they have not taken the necessary action to get their budget and their deficit under control. What we are now seeing is businesses throughout the world recognising that this is a great country to invest in, because we are sorting out the mess that we inherited.

Robert Flello (Stoke-on-Trent South) (Lab): The Prime Minister will be aware that by 7 July the Education Secretary would have already understood the financial situation and the "state of the books", as the Prime Minister is so keen to keep stating, so why on 7 July, in this House, did the Education Secretary say:

"One announcement that I was able to make on Monday was that Stoke-on-Trent, as a local authority that has reached financial close, will see all the schools under Building Schools for the Future rebuilt"?—[*Official Report*, 7 July 2010; Vol. 513, c. 490.]

Is there some confusion between the Prime Minister and the Education Secretary?

The Prime Minister: We were left a complete mess in terms of Building Schools for the Future. Here was a programme that took up three years and hundreds of millions of pounds before a single brick was laid. The cost of building those schools was twice what it should have been, so we have scrapped that programme and made available £15 billion for the next four years. That means that school building will be higher under this Government than it was under the Labour Government starting in 1997.

Mary Creagh (Wakefield) (Lab): Rubbish!

The Prime Minister: Yes, it will be. Go and check the figures.

Ed Balls (Morley and Outwood) (Lab/Co-op) *indicated dissent.*

The Prime Minister: Do your maths. You'll find out that's the case.

Q13. [19531] **Alun Cairns** (Vale of Glamorgan) (Con): Figures published this week show that four fifths of economic growth is coming from the private sector. Does the Prime Minister accept that it is wrong to say that public spending is propping up economic development? Does he further recognise that more work needs to be done in supporting the private sector throughout the United Kingdom?

The Prime Minister: This is the news that the Opposition do not want to hear. Four fifths of that growth was coming from the private sector, and that is an encouraging sign that we should celebrate rather than look miserable about.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): The Prime Minister talks of difficult decisions, and last week the Chancellor said that government is about choices. The Opposition agree, but we would have made different choices—

Hon. Members: What?

Mr Speaker: Order.

Mrs Hodgson: For instance, we would have chosen to tax the bankers more heavily in order to avoid the shameful attack yesterday on women and children in the form of the abolition of the child trust fund and the health in pregnancy grant. Does the Prime Minister agree with his Chancellor's choices continually to penalise women and children in that way?

Please, Mr Speaker—

Hon. Members: Speech!

Mr Speaker: Order.

Mrs Hodgson: Please, Mr Speaker, will you ask the Prime Minister not continually to blame the Opposition? He is in government now—

Mr Speaker: Order. I am grateful. I call the Prime Minister to reply.

The Prime Minister: I am afraid to say that the choice the Opposition have made is not to make any choices—absolutely none at all. The hon. Lady mentions the importance of taxing the banks, but the point I would make is that we introduced a bank levy—within six months of taking office, that has been sorted out. The Opposition

had 13 years. The Leader of the Opposition either sat in the Treasury, as one of the chief economic advisers, or sat in the Government, and they did absolutely nothing to introduce that bank levy. Was he arguing for it across the Cabinet table? We have no idea. It did not happen; we have done it. We are asking the banks to pay a fair amount. What we should be focusing on is getting the revenue out of banks so that they contribute to rebuilding our country after, frankly, the mess it was left in.

Mr Speaker: I call Bob Russell. [HON. MEMBERS: "Hear, hear!"] Order. I want to hear Mr Russell too.

Bob Russell (Colchester) (LD): Earlier the Prime Minister and the Leader of the Opposition had fun and games over housing benefit cuts. This is not a laughing matter for the thousands of children who could well become homeless. I am confident that this was an unintended consequence because the cost of putting children in bed-and-breakfast accommodation is greater than housing benefit. Will the Prime Minister look at this again, please?

The Prime Minister: I completely agree with the hon. Gentleman; this is an incredibly serious issue. We have a housing benefit bill that is out of control—up 50% over the past five years for working-age adults. The key change that we are suggesting is a cap of £20,000—let me repeat that: £20,000—that a family can get for their rent. The fact is that there will be many people working in Colchester, Doncaster or west Oxfordshire who are paying their taxes and who could not dream of living in a house that cost £20,000 to rent each year. It is an issue of fairness that we tackle this budget, get it under control, and do not ask hard-working people to support benefit levels to get things they simply could not have themselves.

Speaker's Statement

12.32 pm

Mr Speaker: I have a short statement to make. Yesterday a point of order was raised by the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) about the title of his proposed early-day motion. The Second Deputy Chairman of Ways and Means, who was in the Chair, undertook to look into the matter. I am allowing the proposed motion on the Order Paper with an amended title, but I want to remind the House of the right way of pursuing such matters. If any Member is not content with the advice given by the Table Office, he or she should first discuss the matter directly with the Principal Clerk of the Table Office. If still dissatisfied, the Member can ask for it to be referred to me. I would not expect such an issue to be raised on the Floor of the House until I had had the opportunity to consider the matter and all these steps had been exhausted.

Economic Governance (EU)

12.33 pm

Mr William Cash (Stone) (Con): *(Urgent Question)*: I have an urgent question for the Prime Minister, which is being answered in the name of the Chancellor of the Exchequer, as to what negotiating position the Government intend to adopt on the conclusion of the taskforce on strengthening economic governance in the European Union that was presented to the European Council on 21 October with the claim that the endorsement— *[Interruption.]*

Mr Speaker: Order. First, I appeal to right hon. and hon. Members who are leaving the Chamber to do so quickly and quietly. Secondly, may I say to the hon. Member for Stone (Mr Cash), who has 26 years' experience in the House, that this is not the point at which he is supposed to dilate? He will have his opportunity. He has said what the substance of the matter is, and we look forward to the Minister responding.

Mr Cash *rose—*

Mr Speaker: Order. The hon. Gentleman must not get too excited: he will have his opportunity. I have granted him his chance, and he should not worry: we will come to him in due course.

The Financial Secretary to the Treasury (Mr Mark Hoban): I am very grateful for the opportunity to update the House on the conclusion of the taskforce on strengthening the economic governance of the European Union, and to report on the UK's position on the taskforce. In particular, I wish to restate that the UK is exempt from the current and future sanctions regime.

Heads of State and Heads of Government commissioned the President of the European Council, Herman Van Rompuy, to produce a report on EU economic governance and report back to the October Economic Council. Mr Van Rompuy chaired a taskforce meeting consisting of EU Finance Ministers, and the Chancellor represented the UK on the taskforce. The report has been agreed by the taskforce, and the European Council is expected to endorse it tomorrow. Copies of the report, along with the Chancellor's submission to the taskforce, have been placed in the Library of the House this morning.

The report concludes that the EU should take steps to reinforce fiscal discipline and that the euro area in particular must face tougher surveillance of its fiscal policies, with sanctions for non-compliance with the pact where appropriate. It also recommends measures to improve EU-level co-ordination of macro-economic policies. That will ensure that any harmful macro-economic imbalances between member states can be identified and corrective action taken. Finally, the report notes that there should be a permanent crisis resolution mechanism for the euro area. The UK supports its conclusions.

A strong and stable euro area is firmly in the UK's own economic interests, given the high level of UK exports to those countries and our close economic ties. In the years before the crisis, fiscal discipline was absent, and not just in states in the eurozone. High levels of debt have exacerbated the problems that some member

states face during the economic downturn. The taskforce recommends that there should be greater focus on member states' public debt levels in future, and the Government agree with that approach.

I am pleased to note that the report explicitly states that sanctions cannot be applied to the UK under the stability and growth pact. Domestic fiscal frameworks play a crucial role in ensuring that member states act responsibly. EU surveillance is useful, but as the House knows, national Parliaments and national institutions must hold Governments to account for their economic and budgetary policies.

Let us be absolutely clear: yes, we want to see a strong and stable eurozone. That is in our interests just as much as those of our neighbours. The UK has led the way on economic governance. Multi-year budgets and independent statistics and forecasting have already been introduced, and we have a clear fiscal mandate to eliminate our structural deficit. We are leading the eurozone, and our high standards have already received international endorsement. We will examine any proposals to help the eurozone overcome its problems.

However, as the Prime Minister has just said, we will not agree to any changes to EU treaties that move more powers from this country to the EU. The UK's exemption from the sanctions proposal will be explicit, and there will be no shift of sovereignty from Westminster to Brussels. The report makes that clear, agreeing that

"strengthened enforcement measures need to be implemented for all EU Member States, except the UK as a consequence of Protocol 15 of the Treaty".

While we are looking at problems in the EU, I should like to say that we have serious concerns about the proposed size of the 2011 EU budget. I was shocked to see that on the day of the spending review, the vast majority of Labour MEPs voted against a freeze in the EU budget. When countries across Europe are taking tough decisions to put their public finances in order, it would be wrong—unjust, even—to have a 6% rise in next year's EU budget, as has been suggested. We cannot accept that and will fight it hard. We are protecting British interests in the EU and doing what is right for our country and our people, and the Prime Minister will update the House next week.

Mr Cash: I am most grateful. Unfortunately, the explanation that we have just heard from the Minister does not answer all the questions that arise in this matter. In particular, the Chancellor of the Exchequer was on the taskforce, and the Council's recommendation is that these moves should strengthen economic governance

"in the EU and the euro area",

in other words not excluding the UK,

"and can be implemented within the existing Treaties."

I am grateful to the Minister for agreeing, as I suggested, that he should place in the Library a copy of the taskforce report and the Chancellor's submission to the taskforce on 9 July, so that everybody can read them.

The point remains that the six regulations and directives that the European Scrutiny Committee will consider this afternoon are still on the table. Mr Van Rompuy indicated yesterday at a meeting of COSAC—the chairmen of European scrutiny committees—which I attended, that there are uncertainties about the legal position. I think I am getting his words correct and that he said that the situation did not totally respect all the traditional rules of the European Union. Mr Van Rompuy also called for agreement because, he said, people are our citizens and not just voters.

Given that there are now six legislative proposals—it is claimed that they are based on the existing treaty, but we cannot assume that they are—and that the ESC will consider them today, and that they appear to carry forward in part the Van Rompuy recommendations, what requires a new treaty?

The treaty will affect the UK and our sovereign Parliament in respect of its control over UK fiscal policy, tax and economic governance, including the question of the rebate. We are glad to hear that the Government reject the increase proposed by the European Parliament, but will the Minister reply to this simple question: will the Government veto the treaty, and if not, will they guarantee that, in accordance with the wishes of the voters in the United Kingdom, we have a referendum on that issue?

Mr Hoban: I am grateful to my hon. Friend for raising those points. May I just advise him that the final meeting of the taskforce took place on 18 October? I attended that taskforce, as did my right hon. Friend the Chancellor. We ensured that the language in the taskforce report guaranteed that sanctions would not apply to the UK. Paragraph 18 of the taskforce report refers

"to the specific situation of the UK in relation to Protocol 15 of the Treaties."

In addition, paragraph 4 states that the measures set out in the taskforce report can be implemented through

"EU secondary legislation...within the existing legal framework of the European Union",

so nothing in the report requires a treaty change. I am aware that France and Germany have suggested that there may be treaty changes, but we have yet to see the details of such proposals, which would be made to the European Council at the weekend.

Chris Leslie (Nottingham East) (Lab/Co-op): Will the Minister explain why the Prime Minister needs a further week before he updates the House on those matters? Could that be because he has yet to figure out exactly what the Government's position is? Surely after looking at those negotiations, he recognises that this is an embarrassing position for the Government to be in, because the coalition's policy on new European initiatives as they are introduced is far from clear.

We are still none the wiser, even though this issue was supposed to be debated today. It remains under "Future Business" on the Order Paper under a motion tabled by the Minister, which proposes that the House

"supports the Government's approach to improving the functioning of the eurozone and reinforcing economic stability across the EU."

If the Government are asking us to support their approach, could the Minister tell us what his policy is? It is clear to the House that one lesson we need to learn from the financial crisis is the need for better co-operation between Governments at European and global—G20—level, obviously to ensure that we address the imbalances in the worldwide economy that were the root cause of the crisis.

[Chris Leslie]

Of course, the euro area needs to sort out its own difficulties. We have supported eurozone countries in that respect in the past while making it clear that the UK taxpayer cannot be expected to bear the burden, but does the Minister agree that our focus in this country needs to be on jobs, housing and growth, not further rounds of navel-gazing on European governance?

If the Government were regarded as a serious player in Europe, they would have led and not followed these developments over the weekend. There are several reports from various quarters about a set of different policy outcomes—the President of the EU says one thing, and the French President and German Chancellor look set to propose changes to the treaty—but where was the Prime Minister during those conversations?

The Government are quite clearly too scared to talk even to some of their own Back Benchers on that question, but has the Prime Minister spoken to the Deputy Prime Minister about these matters? Whatever the Minister says, there are three wings to the coalition: half of the Conservative party want to leave the EU, the Lib Dems want to go head first into the euro, and the rump of the Government, represented by the Minister, are left straddling those two positions—they are the only ones with nothing to say. Is it not clear that the Prime Minister is isolated within his own coalition? It is no wonder that he is isolated in Europe.

Mr Hoban: I appreciate that the hon. Gentleman has been absent from the House for some time, and he is a little rusty on some of these things, but I am sure that he will recollect that the practice followed by previous Prime Ministers was to report back to the House on the Monday after a European Council, not before. My right hon. Friend the Prime Minister will make the statement that would be customarily expected of him.

It is important to ensure that we learn the lessons from the financial crisis. It was clear in the run-up to that crisis that fiscal discipline was lax not just in the euro area, but in the UK and other states. We have led the way in this debate by introducing the Office for Budget Responsibility, with a clear fiscal mandate for eliminating the structural deficit by 2014-15. The fact that we have led the debate is recognised by international bodies such as the OECD, the International Monetary Fund and others. We have set our mark on the debate in Europe, which is the right thing to do. It is right that other member states should achieve the same high standards of fiscal discipline as we do. We are leading the debate in Europe, not following it. The previous Government were silent on that, so what is the Opposition's position now?

Several hon. Members *rose—*

Mr Speaker: Order. I would remind the House that if I am to accommodate a reasonable number of colleagues within the very limited time frame available, brevity in both questions and answers is essential.

Mr Peter Lilley (Hitchin and Harpenden) (Con): Can the Minister confirm that even if the proposed treaty concerns only and exclusively the member states of the eurozone, it would still require the support of the British Government to go ahead? Can he assure me that that support will not be given without obtaining concessions in return, such as the return of powers to this country that were unnecessarily given? Can he assure me that we will not give that support without demanding a price? This is the ideal opportunity to obtain that price.

Mr Hoban: My right hon. Friend makes an important point, but I would point out to him that, at the moment, there are no proposed treaty changes on the table. That may happen at the European Council next weekend, and we should respond to those treaty changes as they arise. However, I go back to the comments that my right hon. Friend the Prime Minister made: we will not agree to any changes to EU treaties that move more powers from this country to the EU.

Mr Jack Straw (Blackburn) (Lab): The Minister says that there are no treaty changes on the table. Theoretically that is true, but he must be aware that in the statement issued after the meeting between Chancellor Merkel and President Sarkozy last week in Deauville, they made it explicit that they intended to put forward treaty changes and that the ambition of those changes would extend beyond simply the eurozone, which will have clear implications for the United Kingdom. In that case, will the Minister re-emphasise his clear statement—which I welcome—that the United Kingdom will not contemplate treaty changes that interfere with the right of the British Government and of this House to determine our own economic policy, including our own exchange rate policy?

Mr Hoban: Indeed, that is why we have secured a clear and explicit exclusion in the report from the Van Rompuy taskforce—an exclusion based on the Lisbon treaty, but also based on the opt-out that we secured from the Maastricht treaty—so that the sanctions do not apply to the UK. As I have said, at the moment there are no detailed treaty changes on the table. We will have to wait and see what the French and Germans put forward at the weekend.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I remind my hon. Friend that those of us who opposed the formation of the euro in principle warned that it would be a disaster, and that we have been vindicated by events? May I warn him now that the Government's aspiration somehow to assist in creating a stable and strong euro area will be a vain attempt? The Government had better plan for the continuing disaster of a currency without a state, which is bound to be unstable in the long term.

Mr Hoban: My hon. Friend makes an important point. There are many sound arguments against the euro, and that is why we have ruled out joining it. However, it does us no favours to see a weak and unstable eurozone. It is important for eurozone countries to have strong fiscal discipline to ensure stability. The taskforce introduces a mechanism for eurozone countries to try to deliver that.

Mr Denis MacShane (Rotherham) (Lab): Have you noticed, Mr Speaker, that all the Liberal Democrats have mysteriously disappeared from the Treasury Bench as this subject has been debated? I would welcome the views of the right hon. Gentlemen on the Treasury Bench on housing benefit, but may I say to the Minister that I welcome, I think, his clear statement to the House

that he is not prepared to go and dwell on planet Cash? He has made it absolutely clear that the Government are not going to veto the treaty, and I welcome that sensible Euro-pragmatism from the new Government.

Mr Hoban: I am not entirely sure which planet the right hon. Gentleman is on at the moment. We need to ensure that the eurozone functions effectively, but we have secured an opt-out from the sanctions proposals, originally through the opt-out in the Maastricht treaty and reinforced by the Lisbon treaty. That is the right place for this country to be in, and that is why the coalition Government are right behind that position.

Mr James Clappison (Hertsmere) (Con): May I congratulate my right hon. and hon. Friends on their refreshing approach of standing up for Britain's interests in Europe, in contrast to that of Labour Members and their MEPs? Will they bear in mind, however, that there is little appetite for any extension of the competence of the EU into economic governance through any legal framework, whether by treaty or otherwise? There is still less trust in the institutions of the European Union, including the Commission, given the way in which the competence of the EU is for ever being expanded and the fact that previous safeguards in other areas have turned to dust.

Mr Hoban: My hon. Friend makes an important point. I know that he thinks about these issues very deeply, and I would encourage him to read the final report of the taskforce. It sets out our exemptions explicitly, and he will recognise that they will protect the UK's position and help to develop a strong and stable eurozone, which is also in our long-term economic interests. The document makes it clear that we are outside the sanctions regime that applies to members of the eurozone and others.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I spent yesterday in Berlin talking to German politicians, and I think that the British Government will discover treaty changes pretty quickly. Those politicians feel that the stability and growth plan is dead, and that it is not the mechanism to take us forward. May I urge the Minister to answer a specific question? Given that 25 of the 27 member states either are members of the eurozone or will have to become members under treaty obligation, and that only two have an opt-out, does he agree that anything that would strengthen the financial and economic co-ordination of the 25, plus the two with opt-outs, would represent a diminution of our sovereign ability to exert our influence and would therefore be subject to a referendum here?

Mr Hoban: As I reiterated earlier—and as my right hon. Friend the Prime Minister has made clear—we will not endorse a treaty that transfers sovereignty from Westminster to the EU. The hon. Lady takes a close interest in these matters, and I know that she will recognise that views among member states about the desirability of treaty changes vary, and that the UK is not the only one that is concerned about this.

Mr Douglas Carswell (Clacton) (Con): In June, Ministers made a big deal of the fact that the UK Budget would not need to be submitted to EU institutions before it was brought to the House of Commons. Will the Minister confirm that, in fact, the UK pre-Budget report data are part of the European semester process, and that, while we might be exempt from sanctions, we are part of that surveillance? Will he be honest and admit that we are part of the EU fiscal scrutiny process?

Mr Hoban: I believe that this Parliament should hear news about this country's finances before the EU does. We have secured that situation and that was the right thing to do.

Mr Nigel Dodds (Belfast North) (DUP): The Minister also mentioned the increase in the EU's budget by 6%. Does he agree that many people in this country—in fact, the vast majority—will be deeply disappointed by the Prime Minister's reply to the hon. Member for Vauxhall (Kate Hoey) during Prime Minister's questions, in which he seemed to be limiting his ambition to reduce the size of the increase in the EU budget? Should not the Government just go there and argue for, and deliver, a cut in the EU budget?

Mr Hoban: The right hon. Gentleman needs to remember that we voted against the budget increase in Council. We have taken a tough line, not only by arguing against it but by voting against it as well.

Jacob Rees-Mogg (North East Somerset) (Con): The Minister has drawn our attention to paragraph 18 of the report. I am curious about paragraph 16, which refers to "New reputational and political measures", including the threat of "enhanced surveillance". Would the British fiscal position be subject to enhanced surveillance in certain circumstances, and what would that mean?

Mr Hoban: I take the view that the measures that my right hon. Friend the Chancellor has announced in relation to strengthening the fiscal framework, and the consolidation that he announced last week, will ensure that we will not be subject to any surveillance whatever.

Kate Hoey (Vauxhall) (Lab): It is all very well for this taskforce to report on the fiscal discipline of eurozone countries, but what about the fiscal discipline of the European Union generally? It has not even got its accounts properly audited. What are we going to do not only to stop the budget going up but to achieve a cut in the amount of money that we have to pay to the European Union? If we want to ask people what they feel about this, let us have a referendum on whether we should be paying more to the European Union.

Mr Hoban: The hon. Lady makes some sensible points about this matter, but she needs to speak to some of her own colleagues in the European Parliament, because they voted against the freeze on the budget. And of course it was her right hon. and hon. Friends who gave away some of our rebate as well. That is part of the problem that this Government are trying to sort out.

Philip Davies (Shipley) (Con): Whenever the Minister defends this country from a power grab and a cash grab by the European Union, he will have the enthusiastic support of Members on these Benches. Some of us are rather nervous, however, because when the Conservatives were in opposition, they opposed the European External

[Philip Davies]

Action Service, yet they sang its praises when introducing it in the House not long ago. They also opposed giving more money to the European Union, yet they recently rubber-stamped an increase through this House that had been agreed by the previous Government. Does the Minister agree that his Government should be judged on what they do, and not on what they say?

Mr Hoban: Absolutely. That is why I would encourage my hon. Friend to read this document. He will see the gains that we have managed to secure in Europe to defend our position.

Mr Peter Bone (Wellingborough) (Con): Does the Minister welcome the united approach of the coalition Government working together, under which the Prime Minister sent the hon. Member for Stone (Mr Cash) to Brussels yesterday to duff over the EU President and soften up the EU so that the Prime Minister can finish the job this weekend?

Mr Hoban: The coalition is at its best when all Members are united behind it.

Mr Speaker: I reserve judgment at this stage as to whether the expression "duff over" constitutes parliamentary language, but the hon. Member for Wellingborough (Mr Bone) has got away with it on this occasion.

Afghanistan

12.56 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): With permission, Mr Speaker, I will report to the House the Government's assessment of progress towards UK objectives in Afghanistan. This is the first of the quarterly reports that the Prime Minister announced in his statement to the House on 14 June.

Making progress in Afghanistan is the top foreign policy priority for the Government, linked closely of course to our foreign and development policy towards Pakistan. We think that it is right, therefore, that Parliament is able to scrutinise the mission in Afghanistan in detail. From the beginning of the new Government, we have given full attention to Afghanistan in the National Security Council. We have ensured that Government Departments and Ministers are working together at the highest level and that the necessary resources are being devoted to the difficult task in Afghanistan. We have doubled the operational allowance for our troops, sharply increased our development aid and rebalanced the deployment of our forces in Helmand. In addition to these reports and regular updates by Ministers, we will also make more information available to the House in the form of written ministerial statements each month from November. I will make a further statement when the investigation into the tragic death of Linda Norgrove is complete.

Members of all parties will join me in expressing gratitude to our courageous armed forces. They are the finest that any nation could hope to have. We should also remember the families of the 341 men and women who have given their lives and the many who have been wounded. For nine years, thousands of Britons have served in Afghanistan in both civilian and military roles in extraordinarily difficult circumstances, and we owe them a great deal.

It remains vital to our national security that Afghanistan be able to maintain its own security and to prevent al-Qaeda from returning. NATO's strategy is to protect the civilian population, support more effective government at every level and build up the Afghan national security forces as rapidly as is possible. The strategy also requires the Afghan Government to meet the commitments on governance and security that they made at the Kabul conference in July this year. My report today will cover all these areas. It represents the combined assessment of the Foreign and Commonwealth Office, the Ministry of Defence and the Department for International Development, and the next quarterly report will be delivered by the Secretary of State for Defence in the new year.

On security, we assess that steady progress is being made across Afghanistan, and specifically in Helmand and Kandahar provinces. International forces now number 130,000, and the Afghan national security forces will reach 260,000 by the end of the year, exceeding their target size for 2010. Afghan forces and the international security assistance force have checked the momentum of the insurgency, and the area under the control of the Government of Afghanistan is increasing. However, the situation remains extremely challenging. One of the effects of increased military activity is that the number

of security incidents, particularly those involving direct fire, has increased sharply, so we should not underestimate the highly difficult task that our forces continue to face.

ISAF's military effort is currently focused on Kandahar. Afghan and international forces continue to clear the insurgency out of areas adjacent to the provincial capital. Afghan security forces are taking an increased role in planning and executing the current phase of these operations and make up well over half of the forces involved. In the coming weeks, operations will focus on holding the ground that has been gained and providing a secure environment for local Afghan governance to develop.

In Helmand province, UK forces continue to train the Afghan national security forces and conduct operations against the insurgency. As my right hon. Friend the Secretary of State for Defence announced on 14 October, we are increasing by over 320 the number of UK troops directly involved in the training and development of the Afghan national security forces. That increase is part of the rebalancing of UK forces in the province and has been made possible by the handover of security responsibility for Kajaki, Musa Qala and Sangin to our US allies in order to concentrate British forces in the key population centres of central Helmand.

On 17 October, units of the 3rd brigade of the Afghan national army's 215 corps launched a significant operation to secure settlements near Gereshk. This operation is building on the success of previous ANSF operations, which have cleared the insurgency out of former safe havens in central Helmand over the course of the summer. Planning and implementation are being led by the Afghans, with British mentors from 1st Battalion Irish Guards providing support. For the first time, engineering, artillery, countering improvised explosive devices and reconnaissance are being conducted by the Afghan national army itself. US Marines, who now form the majority of ISAF troops in Helmand, continue the hard-fought struggle against the insurgency in Sangin, while in Marja they have continued to carry out operations alongside the Afghan national army and police.

The Government are confident that we have the right military strategy in place and the right number of troops in Afghanistan. However, we must expect levels of violence to remain high and even increase as Afghan and ISAF forces tackle the insurgency. The murders by insurgents of the governor of Kunduz province and a district governor in Nangarhar province remind us of the violence that still exists even in the more secure areas of the country.

The Prime Minister will attend a NATO summit in Lisbon on 19 November when we expect NATO to agree the process of transferring lead responsibility for security across Afghanistan to the Afghan security forces by the end of 2014. It will be a phased transition, with the Afghan security forces gradually taking the lead—as they have in Kabul—in jointly selected districts and provinces, as the conditions on the ground are met. British forces will be drawn down from combat operations by 2015.

On governance, we assess that the Government of Afghanistan are making some progress on their Kabul conference commitments. The human rights support unit in the Ministry of Justice has been opened; the Afghan national security adviser has approved a revised national security policy. The Government are finalising a 100-day report, which will highlight progress and areas where further action is needed. But more still needs to be done, some of it more quickly.

Last month's parliamentary elections passed without serious security incident. However, the independent Electoral Complaints Commission has confirmed that more than 1 million votes—almost a quarter of the total—were disqualified on grounds of irregularities and fraud. The Electoral Complaints Commission will investigate allegations against candidates and disqualify those found to have committed fraud before final results are issued. That is an important process to build Afghan confidence in the country's institutions.

On 7 October, the high peace council was inaugurated, fulfilling a key request of the Afghan consultative peace jirga in June. It marks an important milestone for the Afghan peace and re-integration programme. It is for the Afghan people to shape a political settlement that reflects the needs, culture and aspirations of all the Afghan people. The UK will support a settlement that gives Afghanistan stability and security, that is representative, that gives no one group disproportionate influence, that upholds human rights and the rule of law, and that is in accordance with Afghanistan's constitutional framework. The UK will work with individuals and groups who genuinely share those aims and who accept the conditions laid down by President Karzai's Government: insurgents must renounce al-Qaeda, give up armed struggle and work within the constitutional framework. We consider on its merits any request for the UK to play a role in support of this Afghan-led process. At the same time, ISAF will continue to exert intensifying pressure on the insurgency throughout the country.

Corruption continues to be a serious problem in Afghanistan and there has been only modest progress in anti-corruption efforts. In the past year, the criminal justice taskforce convicted 440 people, including serious narcotics dealers and corrupt officials. New mining regulations have been introduced to increase transparency and accountability. The UK is helping the Afghan Government to strengthen accountability and prevent corruption through financial management reforms and to build institutions with the ability to tackle corruption and enforce the rule of law. We are pressing for the anti-corruption monitoring and evaluation committee, which has been appointed, to start work as soon as possible.

In early September, Afghanistan's central bank was forced to intervene to stabilise the Kabul bank after allegations of corruption. The Afghan authorities must now work with the International Monetary Fund to conduct a proper audit and take any necessary action. Weaknesses in the banking regulatory system must be addressed if Afghanistan is to maintain domestic and foreign public confidence. The Afghan economy grew last year by a rapid 22.5% and tax revenues have risen sixfold in six years. The IMF predicts that the Government of Afghanistan will be able to cover non-security running costs by 2015 and all their running costs by 2023.

The House will recall that on 21 July the Secretary of State for International Development announced a £200 million increase in UK funding for Afghanistan to stabilise insecure areas, stimulate the economy and improve essential services. Early progress is being made at the Afghan Ministry of the Interior where the new Minister

[Mr William Hague]

is keen to develop a more capable and accountable police force that will help sustain the transition of security responsibilities to the Afghan Government.

The deployment of British armed forces abroad is one of the gravest of responsibilities of Government, along with that of protecting the security of British citizens and territory. In Afghanistan, the two go hand in hand. The Government understand how important it is to retain public confidence in our mission and to ensure democratic scrutiny of it. We will continue to provide regular and frank assessments to the House. Above all, we will do our utmost to ensure that NATO's strategy in Afghanistan is seen through with rigour and determination and that the extraordinary efforts of so many thousands of our armed forces serve to enhance the national security of the United Kingdom.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I thank the Foreign Secretary for his statement today and welcome this opportunity for the House to be updated and for us to show our full support for our men and women fighting in Afghanistan. They are the bravest and the best of British and they are fighting to protect our country. We are all immensely proud of their fortitude, their professionalism and their commitment.

It has been a very difficult summer for our armed forces. We have already paid tribute today to Corporal David Barnsdale, and it continues to be hard for our soldiers' families and their communities. In my own constituency, we have lost Rifleman Jimmy Backhouse and Bombardier Craig Hopson in recent years. I pay tribute to them and their bravery, but also to every one of the 341 service personnel we have lost in Afghanistan. We must pay tribute, too, to their families, who have given so much and done so much to support our troops and our country. We should also make clear our gratitude to the aid workers and other civilian staff who take such great risks to complete important work in Afghanistan.

We are part of the international coalition in Afghanistan, with a UN mandate to prevent the country from becoming once again a safe haven for al-Qaeda to plan and launch attacks on our population and that of our allies. That central task is unchanged, and our armed forces will have the full support of Labour Members in achieving that goal—as will the Government. The people of Afghanistan do not want to return to misrule or to harbouring what are foreign terrorist groups. That is what makes the civilian and political elements, alongside our military effort, so important.

I would like to ask the Foreign Secretary first about the military operations. When I met General Petraeus on his visit to London two weeks ago, he said that considerable military progress was being made in targeting the Taliban leadership, but he warned, as has the Foreign Secretary, of the risk of increased security incidents as a result of the increased military activity. I welcome the Foreign Secretary's update on the development of Afghan national security forces, but may I ask what progress has been made on the hold and build exercise in Marja? Will he also tell us whether Afghan capacity in Kunduz is being prioritised following the recent insurgency attacks, including the death of Mohammad Omar, the governor of the province, to which he referred in his statement?

Will the Foreign Secretary comment on the recent report from the Overseas Security Advisory Council, which stated that 18 aid projects worth $1.4 billion would have to be shut down by the end of the month because of the Afghan Government's policy on private security contractors? General Petraeus has told the Afghan Government that pursuing that policy too quickly could harm the aid effort. ISAF is agreed on the need for a gradual phasing out, but does the Foreign Secretary agree that engaging in the process too quickly could harm development efforts?

We agree that there is no purely military solution to the war in Afghanistan. What is required is a political settlement built on trust, ownership and democratic rights. The Foreign Secretary will be aware that in Helmand there were comparatively few complaints about electoral fraud in the recent parliamentary elections, and that does credit to the professionalism of our forces and election officials on the ground. However, the Foreign Secretary is right to be concerned about the high levels of fraud nationally, and about the problems involving corruption to which he referred. He also referred to the disqualification of 1 million votes. Has he any evidence of particular difficulties experienced by women in participating in the elections, and can he tell us whether that is being investigated as part of the work of the Electoral Complaints Commission?

The Foreign Secretary is aware of the centrality of the political process and good governance to a more peaceful and stable Afghanistan. Can he tell us what progress is being made in the development of secure local political institutions, as well as sustainable public services such as schools and hospitals? He referred to the growth in the Afghan economy. Can he also tell us what plans there are for a wider economic strategy for the area to sustain that progress for the future?

On the broader issue of a political settlement, can the Foreign Secretary update the House on the progress of the reintegration programme for former Taliban fighters in Helmand? I agree with him that the process leading to a political settlement must be Afghan-led and, where possible, given international support. Crucial to Afghanistan's security and long-term stability are its neighbours. Can the Foreign Secretary tell us when the next trilateral meeting between Afghanistan, Iran and Pakistan will take place? Has he discussed with the Pakistan Government the security situation in the north of Pakistan and the operations in the border regions? Can he also update us on the discussions that are taking place between NATO and Russia, and on how he is taking account of the sensitivities arising from recent history?

We want our troops to be able to come home as soon as possible: I know that there is agreement on that throughout the House. We also support the international agreement that Afghan security forces will be able to be in the lead by 2014, following agreement at the Kabul conference, and will argue consistently for a political settlement to accompany the increase in the Afghan police and army that is necessary for a stable and secure Afghanistan.

Will the Foreign Secretary say a little more about his approach to troop withdrawal? He has proposed a timetable for the withdrawal of combat troops, but with continued support to develop the Afghan police and army expected beyond that date. He and other Ministers

have also spoken of the importance of conditions for our troops on the ground in driving decisions. He will be aware of the paramount importance of the safety of any remaining troops who are continuing in a support and training role. Can he tell the House what flexibility he attaches to the timetable that he has set out, and what consideration he will give to the safety of the remaining troops in Afghanistan in deciding the timetable for the withdrawal of combat troops?

Since operations began in Afghanistan in 2001, 341 British military personnel have died, giving their lives in service of the country. We owe it to them, to their families, and to the men and women serving today to be clear in our approach and resolute in our support. We will continue to provide strong bipartisan support for our mission.

Mr Hague: I strongly welcome the right hon. Lady's questions, and, indeed, the spirit of those questions. She has expressed the unity that is felt in the House about the purpose of our mission and the support for our armed forces. I think that that matters enormously. It was always our view in opposition that it mattered enormously, and I am delighted that that is the view of the Opposition now. It matters to our forces and, indeed, to our enemies that the strong unity in the House on what we are doing is maintained, along with the recognition throughout the House of the work of our armed forces.

The right hon. Lady mentioned her constituency, some of the casualties affecting families there, and the role of families. My own constituency contains Catterick garrison, and I am very conscious of the immense supporting role performed by the families of the armed forces. In more than one tragic incident this year, we have seen how dangerous and difficult the role of aid workers can be, and the right hon. Lady was right to draw attention to that as well.

The right hon. Lady asked a wide range of questions against that background of unity. I agree that an over-hasty withdrawal of the ability of private security companies to operate, particularly in supporting development efforts, would be a serious mistake and could have a damaging effect on those efforts. Our ambassador in Kabul has conveyed that message strongly to the Afghan authorities and to President Karzai personally; so has the United States. Negotiations have taken place over the past few days about the matter, and we hope that a reasonable compromise can be found enabling the excesses of illegal private security companies to be curbed and dealt with, while those that are making it possible for embassies and some companies to function and development operations to take place can be maintained.

The right hon. Lady asked about progress in Marja on hold and build. I think that progress has been made since the military process. More than 400 shops are now open in six different bazaars in Marja, and more than half the 15 schools are open, with hundreds of students involved. There has been distinct progress in the hold phase, and in beginning the build phase. The right hon. Lady drew attention to the need for more Afghan capacity in Kunduz, and I believe that that is being addressed.

The right hon. Lady asked about allegations of electoral fraud, the large numbers involved and the possible difficulties experienced by women in participating in the electoral process. We would expect any particular difficulties experienced by women to be addressed by the Electoral Complaints Commission, but it is right to draw attention to the role of women in Afghan society and the importance of continuing to build it up in the future. It was good to see the participation of hundreds of women in the peace jirga. While we were holding the Kabul conference in late July, a parallel meeting took place of 200 Afghan women from all the provinces of Afghanistan. They too played their part in determining the future of Afghanistan.

As for economic strategy, I referred to the rapid progress that is being made in the Afghan economy. The potential is considerable. Let me say — as long as it does not embarrass him — that the Finance Minister is one of the most capable of the Afghan Ministers. He is a very impressive Minister, who presented extremely good plans for the Afghan economy at the Kabul conference in July. The mineral wealth of Afghanistan is immense, and if it can be developed even to a small degree Afghanistan could have a bright economic future, provided that it also has the necessary security.

Of course we discuss with the Pakistani Government — we do so every time we meet Pakistani Ministers — the inter-related issues of security in Pakistan and Afghanistan. I will update the right hon. Lady and the House on the trilateral meetings when they occur.

A model for reintegration in Helmand has been developed in Nad Ali, and the district reintegration committee has received 60 to 70 initial approaches from people who were previously fighting for the Taliban. A dozen have already been through the formal process, and have been assessed by the committee. We expect that formal process to be extended to other districts in Helmand now that Afghan officials have the authority granted by President Karzai's decree of 29 June to proceed with reintegration.

On Russia, I discussed and indeed issued a joint statement on Afghanistan with the Russian Foreign Minister, Mr Lavrov, on my visit to Moscow two weeks ago, so there is a good deal of unity with the Russian Government about what needs to be achieved in Afghanistan. We can certainly expect to see a larger proportion of NATO's supplies coming from a northerly direction over the coming months.

We are very clear about the issue of timing, and the Prime Minister has been very clear in his statements about our intentions: there will not be British troops in a combat role or in the present numbers in Afghanistan by 2015, although some troops could play a training role or be part of wider diplomatic relations, as they are elsewhere. We think that it is right to make that absolutely clear. It is in line with the goal of Afghan forces leading and conducting military operations in all provinces by the end of 2014. It is a clear message to the world, and indeed to the Taliban, that we are building rapidly and quite dramatically the role of the Afghan national security forces, as detailed in my statement. I hope, therefore, that what we have said about the draw-down from combat operations by 2015 will be another aspect of our policies in Afghanistan that will enjoy wide support across the House.

Sir Peter Tapsell (Louth and Horncastle) (Con): I thank my right hon. Friend for his clear statement. He started by saying that the object of the statement was to look back at our original objectives and to see how far they had been achieved. May I remind him — not that he needs reminding — that those objectives were to defeat

[Sir Peter Tapsell]

the Taliban, to abolish the poppy industry, to get rid of corruption in government, to get the girls safely back to school, to establish a democratic and peaceful Government, and to make our streets safe in Britain. How many of those objectives have been achieved after nine years of bloody warfare?

Mr Hague: My hon. Friend has long-standing opinions on this matter which are—and should always be—listened to with respect in the House, because there is a legitimate alternative view about our presence in Afghanistan. I think that the great majority of the House support what we are doing and our objectives. However, we should always respect an alternative view, and that is what he has always put forward. We have not yet achieved our objectives in Afghanistan, but he can see from much of what I have said that life has improved for many people in Afghanistan. It is true that, in matters of health care or schooling, life for the Afghan population has improved dramatically, and that many of them are living in more secure areas. However, we have not yet achieved our central objective, which is our own national security. That is why we have to continue to work at this, even though it is very difficult. Therefore, I will not claim to my hon. Friend that we have achieved swathes of our objectives. Our central objective has not yet been met and we have to continue to work at it.

Several hon. Members *rose—*

Mr Speaker: Order. A very sizeable number of Members are seeking to catch my eye. I would like to accommodate everyone, but we must have short questions and short answers.

Mr Bob Ainsworth (Coventry North East) (Lab): The Foreign Secretary tells us that ISAF levels are now at 130,000 and that the level of Afghan security forces will be at 260,000 by the end of the year—2:1. He and the Defence Secretary will know that the ratio in Helmand, for example, is the other way around; there is probably a greater disparity in the inverse proportion. The Foreign Secretary will also know that there is great reluctance among the Afghan security forces and many of our allies to go to some of the most difficult areas of the country. As we draw down—the Americans have made statements about draw-down as well—how will we manage the cohesion of the alliance if we are struggling to get the Afghans to take control and if some of our allies will not go to those most difficult areas? He claims that there has been a lot of progress there, which is good news. We must try to handle the process so that we maintain the cohesion of the alliance during the draw-down period.

Mr Hague: The right hon. Gentleman makes a good point and we will of course be very conscious of that over the coming months and years. There are now 48 troop-contributing nations and at the Lisbon summit we hope to agree the process of transition to Afghan security control in selected districts and provinces. It is important that allies deployed in provinces where Afghan forces are able to take over do not then just say, "We are able to leave Afghanistan altogether." There will be a continuing role in other parts of Afghanistan for those forces. Therefore, that is one message in response to his question.

The other message is that the right hon. Gentleman can see from my statement that the Afghan forces are beginning to take on some very difficult tasks in difficult areas. He would not expect the ratio to be 2:1 in their favour in Helmand, where we have so many enormous challenges, because they are still in the fairly early stages of building the ability to sustain and lead their own operations, but they are beginning to show that ability and the increase in training is now a prime requirement. That is why my right hon. Friend the Defence Secretary has shifted several hundred forces into a training role and why other countries are doing the same. The number of non-commissioned officers trained by the Afghan national army over the past year has gone up by 700% and the number of officers by 175%, so the right hon. Gentleman can see that the training of those forces is beginning to grow exponentially.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I thank my right hon. Friend for his statement and for his determination to keep the House regularly updated? As Chair of the Public Administration Committee, I welcome that evidence of better governance of our effort in this conflict, but what exactly is the role of the National Security Council in the governance of the conflict? Why did the Government drop the proposal that I suggested to my right hon. Friend, then Leader of the Opposition and now the Prime Minister, that there should be a war cabinet—a smaller group of Ministers meeting more regularly on a cross-departmental basis—to ensure daily supervision of the conflict?

Mr Hague: I thank my hon. Friend for his welcome. I have made it clear that we intend to make these regular and frank assessments of the situation throughout this Parliament and throughout this conflict—for however long is necessary—so I am glad of his welcome for that. The National Security Council has spent an enormous amount of its time, in the first five and a half months of this Government, on Afghanistan. Our first meeting, on our first day in office on 12 May, was about Afghanistan. For the British Government, that is the decision-making body on these matters. Since it combines all the relevant Departments and Ministers, that is the forum in which we are able to bring our efforts together. He can see that we work together in other ways. The Defence Secretary, the International Development Secretary and I went to Afghanistan together to assess the situation for ourselves in May and we have continued to work together in that spirit, so my hon. Friend can be assured that the National Security Council functions as our war cabinet and that Ministers are working together on a daily if not hourly basis very successfully on these issues.

Angus Robertson (Moray) (SNP): Will the Foreign Secretary confirm that 14 Squadron from RAF Lossiemouth is serving with bravery and distinction in Afghanistan and that with its Tornados it is saving the lives of UK service personnel on the ground? Does he agree that, in those circumstances, it would be totally inappropriate to endanger the squadron and its home base through disproportionate defence cuts in Scotland?

Mr Hague: The hon. Gentleman had a reply earlier from the Prime Minister about that, and he is absolutely right to draw attention to the indispensable work of our Tornado squadrons in Afghanistan. Our experience in Afghanistan is one of the reasons it was decided in the

strategic defence and security review to maintain the Tornado in our armed forces over coming years, so that is an important factor. Decisions about basing have not yet been made and he will be able to discuss that and question my defence colleagues on other occasions.

Bob Russell (Colchester) (LD): Soldiers from 16 Air Assault Brigade based at Colchester garrison are currently on their third deployment to Helmand province, and I thank the Foreign Secretary for what he said about the military presence and his warm words about the families; I also thank the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) for her words. Bearing in mind that there is a three-pronged approach—military, political and economic—and that progress is being made on all three, will the Foreign Secretary ask his officials to have words with the Marquess of Reading, who heads the charity POM354, which encourages Afghan farmers to switch from growing poppies to cultivating pomegranates? That highlights an additional way to boost the Afghan economy, and to the benefit of this country's products as well.

Mr Hague: I thank my hon. Friend for his suggestion, and I will make sure that my officials have a word about it. There are alternative crops and livelihoods to narcotics, and pomegranates is one of them. In other parts of Afghanistan, such as Herat, which I visited in July, saffron is a very good, and a very high value, alternative crop. A lot of the work being done by provincial reconstruction teams is dedicated to getting Afghan farmers to grow these crops instead.

Tony Lloyd (Manchester Central) (Lab): The Foreign Secretary should know that his commitment to giving regular and frank reports to the House is important in maintaining a national commitment to our mission in Afghanistan. In his statement, he rightly drew attention to the essentially Afghani nature of any peace process. It is right and proper that it should be Afghan-led, and it is not proper for even Afghanistan's allies to load too many conditions on to the process. However, does the Foreign Secretary agree that it is absolutely vital that both President Karzai and his Government—as well as, perhaps, our allies in Washington—recognise that we are not prepared for the conditions of human rights and the rule of law to be thrown out of the window in any peace process?

Mr Hague: Again, I thank the hon. Gentleman for his welcome for the idea of giving these statements. One reason we have introduced them is that it is important that we do not discuss Afghanistan in this House only when there is a sudden crisis or there are heavy casualties. Rather, we should discuss it regularly so we are able to see things in the round without there being an atmosphere of sudden drama. That is what we are trying to achieve by making these statements.

I agree with the thrust of the hon. Gentleman's question on political reconciliation. It is very important that there is a political process. The political authority for that now exists in Afghanistan, and in my statement I took care to refer to the importance of the Afghan constitutional framework, which guarantees human rights, including women's rights. I am sure that all hon. Members will strongly support maintaining that in any future political settlement.

Dr Julian Lewis (New Forest East) (Con): Does my right hon. Friend remember that when General Sir David Richards took over as Chief of the General Staff only last year he predicted that the current strategy would take 30 or 40 years to work? Given that prediction, with which I broadly concur, what will we do if we still find ourselves in what my right hon. Friend describes as an "extremely challenging" situation in three or four years' time? Will we still be committed to withdrawing militarily and operationally before the next general election?

Mr Hague: To be fair to General Richards, I think he was talking about the efforts that will be required to sustain reconstruction, economic progress and regional stability in Afghanistan. I do not think he was talking about a large British military presence or involvement in combat operations for 30 or 40 years. Again, I know that there are legitimate alternative points of view, but we consider it to be right and best to make clear our position that we will draw down from combat operations by 2015. That means that the Afghan Government know that, and it goes alongside our determination to build up rapidly the capabilities of the Afghan national security forces. It also leaves our allies in no doubt about our position. It should be remembered that if we are still there by 2015, we will have been involved in Helmand for much longer than the second world war lasted. British troops will have made an immense contribution therefore, and, in line with the goals for the Afghan forces by 2014, we should be able to speak confidently about 2015.

Ann Clwyd (Cynon Valley) (Lab): As the Secretary of State has said several times in the last hour, human rights and women's rights are important aspects of our work in Afghanistan. Everybody will agree that the empowerment of women has proceeded—women have returned to the professions and girls have returned to school. Will the Secretary of State give an assurance that in any settlement talks, particularly with the Taliban, if there are arguments for an extension of extreme Sharia law—which would, of course, disempower women—he will continue to fight for progress in women's rights in Afghanistan, and that there will be no sell-out on those issues?

Mr Hague: In this country and across the House we will always stand up for human rights—of which women's rights are an indivisible part—all over the world, including in Afghanistan. We all strongly welcome the much more extensive involvement of women in Afghan civil society and political life, of which I spoke earlier and to which the right hon. Lady just referred. We are not laying down the terms of a political settlement, however; we are not remotely near that stage. There is no political settlement currently being discussed around a table, whether by the Afghan Government and the leaders of the Taliban or anybody else. That is not the stage that we are at, so it is premature to talk about what might emerge from any such discussions, but the conditions set out by President Karzai include adherence to the Afghan constitutional framework, and we should continue to give that robust support.

Kris Hopkins (Keighley) (Con): Does the Foreign Secretary agree that the recent revelations that members of the Karzai Government had received bags of cash from a dangerous rogue state compromise not only the

[Kris Hopkins]

chances of future peace in Afghanistan but the confidence of the people who are sending their young men and women to support a state that is clearly corrupt?

Mr Hague: I drew attention in my statement to the fact that although some progress on corruption has been made, it is by no means enough. We want to see a lot more progress on tackling corruption. That is very important, and the recent revelations about the Kabul bank have provided the most dramatic illustration of the need for that. In the absence of such progress, international confidence is undermined. It is true that a number of countries provide funding in certain forms to the Afghan Government, and it is important that that is transparent and used for legitimate Government functions and that it is not the basis of interference in the internal affairs of Afghanistan. I reiterate, however, that some progress has been made: 27 of the Afghan Ministers have now declared all their assets, and new mining contracts are being undertaken in a transparent way, published on the web so that everyone can see them. My hon. Friend is right, however, to reinforce the fact that for there to be international confidence, an intensified effort to tackle corruption is required.

Mr David Winnick (Walsall North) (Lab): Unsurprisingly, I would like an earlier date for the ending of the combat role for British troops. At least a date has now been set, but I would like it to be at least two years earlier than 2015. Is it not encouraging that the Government, and presumably my party's Front-Bench team, now accept that NATO will not win an outright military victory and that, as Mr Gorbachev has just said—and he should know—a political settlement can only really be decided by the political forces inside Afghanistan?

Mr Hague: I disagree with the hon. Gentleman on a couple of points. To say that we will draw down from combat operations at an earlier date than when we can expect the Afghan national forces to be able to sustain and lead their own operations would be a mistake, and I would resist his call to set an earlier date. Indeed, to be fair to his party's Front-Bench team, I do not think they have ever maintained that there is a purely military solution to the problems of Afghanistan, and neither have we. We have always stressed that a political process is important as well, and I have often heard the former Foreign Secretary, the right hon. Member for South Shields (David Miliband), and the former Defence Secretary, the right hon. Member for Coventry North East (Mr Ainsworth), who is sitting just in front of the hon. Gentleman, say that. The difference between what Mr Gorbachev has been talking about and what is happening now is that this is not the Soviet Union imposing its will on Afghanistan: this is 48 troop-contributing nations, with more than 70 nations assembled to give various support at the Kabul conference, operating under a United Nations mandate to liberate the people of Afghanistan from what happened before, and also with the important goal of maintaining our own national security. It is a different situation, therefore, and I disagree with the hon. Gentleman's analysis of it.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): With a clear date set for a military draw-down, is the Foreign Secretary aware of concerns in the development community that that could lead to less political interest in Afghanistan and, therefore, less commitment to long-term development aid? Can he reassure those working in development that there is a long-term recognition of how much we need to maintain that commitment to development aid?

Mr Hague: There is a very strong recognition of that, as my colleagues from the Department for International Development are saying from the Front Bench. Development aid to Afghanistan is being increased and for the long-term future we will have a major national interest in the stability and prosperity of Afghanistan and of Pakistan next door. Pakistan is on its way to becoming our largest recipient of development aid in the world, and we put in huge and greatly increased resources there to try to bring stability to the whole region. So, yes, our work in Afghanistan will have to continue in that form long into the future.

Dr William McCrea (South Antrim) (DUP): Our thoughts and prayers are certainly with our soldiers who are standing in daily danger in Afghanistan. We pay tribute to their gallantry, especially that of the Royal Irish Regiment and the Irish Guards. Will the Foreign Secretary tell the House whether our coalition forces are receiving the co-operation that they need from the Government of Pakistan in their efforts to fight the terrorism from within their borders?

Mr Hague: Yes, we have many discussions with the Government of Pakistan and with military leaders in Pakistan. The first thing to note is that relations have improved sharply in recent times between both the political leaders and the military leaders of Pakistan and Afghanistan—this is with each other—and that greatly assists such co-operation. Huge quantities of supplies for NATO also pass through Pakistan. The House will be aware of recent interruptions to the passing through of those supplies, but that matter has now been dealt with and we hope that it will not recur. I do not wish to stand here complaining about the Government of Pakistan, who have sustained enormous casualties. The Pakistani military have sustained enormous casualties in fighting insurgencies within their own country and they ensure that very large quantities of the necessary supplies pass through their country. We are getting a lot of co-operation.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I welcome the Foreign Secretary's statement and add my tribute to Corporal Barnsdale, who received a full tribute from the Prime Minister. Corporal Barnsdale was part of 61 Field Squadron, 33 Engineer Regiment, which is based at Rock barracks in Woodbridge, as is 23 Engineer Regiment, which is currently deployed abroad. I welcome the statement that the Afghan security forces are starting to do more things such as countering the improvised explosive devices. Is there a strategy to prioritise some of the operations that are transferred to the Afghan forces, as opposed to geographical provinces?

Mr Hague: I have listed some of the geographical areas where the Afghan forces are taking on an increased role. The Afghan forces are building up in size. The army, for instance, was 134,000 strong this year—it is slightly larger now—and is meant to become 171,000 strong next year. The challenge now is to increase their specialist capabilities, particularly their intelligence

capabilities, engineering, logistics and military police functions. Of course, those sorts of things are more difficult to build up, because they require a great deal more training and expertise than the training of what one might consider to be the pure infantry. That is an important part of the strategy going forward.

Jeremy Corbyn (Islington North) (Lab): I thank the Foreign Secretary for his statement and for his commitment to report regularly to the House, which is extremely welcome. I was, however, very disappointed in his reply to my hon. Friend the Member for Walsall North (Mr Winnick). President Gorbachev and his country suffered more than anyone else, apart from the Afghan people, because of the military activities of the red army in Afghanistan. He has called for a political solution and a withdrawal, and countered strongly against any Russian involvement. Is it not time that we faced up to the reality that after nine years in Afghanistan, with a lot of lives and billions of pounds lost, no solution, either immediately or in the long term, is in sight? Is it not time to pursue the political road, rather than the military road, rapidly?

Mr Hague: The important point to make is that the political and military roads, as the hon. Gentleman calls them, go necessarily together; there would not be much of a political road without the military pressure. He has called for a political solution and he can gather from everything I am saying that we want a political settlement in Afghanistan; we want a political process that leads to that. But we will get that only from an effective military campaign, from intensifying the pressure on the insurgency and from doing all the work that we are doing to build up the capacity of the Afghan Government. If we and our allies were to withdraw now, all that work would come to an end and there would be another round of great bloodshed, including among the civilian population, and not a political solution. I ask him to see those things as going necessarily together.

Justin Tomlinson (North Swindon) (Con): What is the Foreign Secretary's assessment of the potential to maintain a full and fair democratic process in the long term?

Mr Hague: It is another of those challenges that I speak about. Clearly, democratic processes are now taking place. A parliamentary election has just taken place in Afghanistan with far fewer incidents, although there was still a lot of fraud. From an international viewpoint, this election was conducted in a more respectable way than aspects of the presidential election, given some of the accusations made about that. Progress has clearly been made. The role of independent members of election commissions is being more widely respected and understood, and I think that democratic principles are making inroads into Afghanistan. This will take time and it is something on which we need to have patient effort and persistence. It is a huge challenge, but some progress is being made.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): The Foreign Secretary will be aware of the British public's concerns about the welfare of our troops returning from Afghanistan and, indeed, that of veterans in general. I welcome these regular reports, but will he consider including in them details of progress on how we can further support our troops after they return from Afghanistan and as they become veterans?

Mr Hague: That is a very important point, and my right hon. Friend the Defence Secretary will include that subject in his assessment when he gives the next of these reports.

Stephen Mosley (City of Chester) (Con): What is the Foreign Secretary's assessment of last weekend's WikiLeaks reports, which made reference to 21 incidents in Afghanistan involving British troops?

Mr Hague: There is no place in our policies for the mistreatment of detainees, and we have been very clear about that as a Government. We have, of course, published the guidance we give to our intelligence officers and announced an inquiry into previous allegations. But I do condemn the unauthorised release of information, which can endanger our forces and people who have worked with our forces, and which gives a one-sided propaganda gift for insurgent, so I condemn those leaks. It is our forces who are engaged, above all, in protecting the civilian population in Afghanistan, often having to accept casualties because of the work they do to protect that civilian population. The people who indiscriminately attack the civilian population and do not care whether women, children and other people are blown up by their improvised explosive devices are the insurgents and the terrorists.

Derek Twigg (Halton) (Lab): May I thank the Foreign Secretary for the report and ask him to give an example of when during a conflict or war and in the middle of a battle we gave our enemy prior notice that we would be leaving the battlefield?

Mr Hague: For all the reasons that I have given, I think that this is the right thing to do. As I said, there are legitimate differences of view, but considering the subject in the round and the length of our deployment, as well as the need to emphasise the building up of the Afghan national security forces—to concentrate on that over the next few years and to be clear with the Afghan Government that that is our intention—we think that it is right to say what we have about 2015. Of course, it does not mean that forces fighting for stability in Afghanistan are at any point leaving the battlefield. There are now more international security assistance forces and Afghan forces deployed than at any stage in the past nine years. Given the huge increases that are envisaged in the size of the Afghan national security forces, there will continue to be an increase in the number of forces available for years to come. The forces of security and stability in Afghanistan are not leaving the battlefield.

Andrew Stephenson (Pendle) (Con): As chairman of the all-party group on Pakistan, I welcome what my right hon. Friend has said today, particularly about working closely with that country, as well as what he said at the launch of the British Pakistan Foundation two weeks ago. May I have his assurances that we will continue to work even more closely with Pakistan to address the security situation in the region?

Mr Hague: Yes, absolutely. That is critical for the security of the region and for the prosperity and stability of Pakistan, which is a prime national interest of this country. One thing that my right hon. Friend the Prime Minister and I have been busy doing over the past few weeks is trying to ensure that it is commonly agreed across Europe that the future prosperity and development of Pakistan, and our working closely and strategically with the Government of Pakistan, are absolutely essential and in the vital interests of the whole of Europe and the western world, not just of the United Kingdom. For instance, our achievement recently of trade concessions for Pakistan, which we secured at the last European Council last month, is a good illustration of that work.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Foreign Secretary mentioned the success of the criminal justice taskforce and the 440 convictions in the past year. Is he satisfied that those convicted actually served their sentences, and will he also update us on the progress made on the number of secure prison places in Afghanistan?

Mr Hague: We will have to satisfy ourselves about those things as we go along. The hon. Lady is quite right to draw attention to that. Where people are sentenced, we will want them to serve their sentences. We want more prosecutions to take place under the same procedures. We do not yet have enough secure prison places in Afghanistan and we are very careful about the terms under which we transfer prisoners to Afghan control. There is a need for more secure places and we will keep the House updated about that, too.

Mr Peter Bone (Wellingborough) (Con): I would like to thank the Foreign Secretary for these regular updates and you, Mr Speaker, for allowing these statements to run for such a long time. It will be particularly welcomed by the families of our servicemen and women who are serving abroad. Many in this House will know the concern when their loved ones are either about to go or when they are out there. They carry on with their normal daily lives, but they never forget their loved ones. We should pay tribute to those people.

Mr Hague: Absolutely. Across the House, we pay tribute to them. I know that that is a heartfelt question from my hon. Friend, because his son is about to go to Afghanistan for the second time, serving in Chinooks. All of us who have flown around Afghanistan in Chinook helicopters marvel at the work that those people do. We can all be in absolute accord with what he has said today.

Points of Order

1.53 pm

Chris Leslie (Nottingham East) (Lab/Co-op): On a point of order, Mr Speaker. Earlier, during the urgent question, the Financial Secretary to the Treasury gave the incorrect impression that Labour Members of the European Parliament supported an increase in the European Union budget. Is it in order for the Financial Secretary to be asked to come to the House to correct his mistake, given that Labour MEPs most certainly did not vote in favour of an increase in the EU budget, as my hon. Friend the Member for Caerphilly (Mr David) made clear yesterday?

Mr Speaker: That is a matter of debate and not a point of order, as I think the hon. Gentleman well knows. He has placed his concern firmly and fairly on the record.

Mark Tami (Alyn and Deeside) (Lab): On a point of order, Mr Speaker. In Prime Minister's questions, in answer to the hon. Member for Macclesfield (David Rutley), the Prime Minister stated that BAE Systems' loss of work under the defence review would somehow be offset by the A400M programme, which is in fact an EADS Airbus programme and not a BAE Systems programme, as the Prime Minister seems to think. BAE Systems will have little or no involvement in that programme. Will he come to the House and apologise?

Mr Speaker: No is the short answer to that. I will say to the hon. Gentleman—I will not call him a persistent offender, but he is certainly persistent—that that is a point of debate and arguably a point of frustration, but I am afraid that it does not constitute a point of order. He has put his views on the record and he may share them with others. If there are no further points of order, we will come now to the ten-minute rule Bill, for which the hon. Gentleman in question has been patiently waiting.

Planning (Developer Bonds)

Motion for leave to introduce a Bill (Standing Order No. 23)

1.55 pm

Justin Tomlinson (North Swindon) (Con): I beg to move,

That leave be given to bring in a Bill to make provision regarding local authority powers to require developers to deposit funds in the form of a bond to be used if the local area is not maintained properly; and for connected purposes.

I am introducing the Bill to highlight an issue that I have previously raised in debates in Parliament and that I campaigned on actively during my 10 years as a councillor in Swindon, which relates to the lack of maintenance in unadopted areas. With housing developments set to increase substantially over the next 25 years, this is an issue that will affect any Member of Parliament who has new housing in their constituency.

When a new development takes place, all related street scene work and costs remain the responsibility of the developer until the area is adopted by the local authority. Developments are often on a large scale, and it is not unusual for an area to remain unadopted for many years. My former ward was a new build estate, growing from just 1,800 houses in 2000 to 8,500 in 2010. Throughout my time as a councillor, my postbag from fellow local residents was dominated by complaints regarding the lack of maintenance in unadopted areas—street scene issues, including those in the following three areas: incidental open spaces, such as grass verges, trees, street furniture, bushes and foliage; general street cleaning, such as that to remove litter and graffiti; and the maintenance of roads, fixing potholes, kerbstones and street lights. The last point is exceptionally apt now that the dark nights are drawing in.

A typical example, which I am sure hon. Members will have experienced, is when a resident contacts the local authority, often through the local councillor or Member of Parliament, to complain about the lack of street scene maintenance in their unadopted local area. The local authority then has to identify the relevant developer and request that the issue be addressed. That can have one of three outcomes. Ideally, the developer will take immediate action to address the street scene issues. I must stress that with many responsible and proactive developers that would be the case. However, all too often it takes repeated effort from the local authority or local residents to encourage the developer into action. In the final outcome, the developer simply never responds, or has even ceased to exist, leaving the issue unaddressed.

The frustration of local residents with the latter two scenarios is compounded by the fact they still pay the full council tax rate, which includes a contribution towards street scene works that cannot be used in an unadopted area as it remains the private land of the developer. In my constituency we have estates such as Ash Brake that have remained unadopted for 15 years. It is no wonder that residents feel they do not get the full value of their council tax when they look out of their windows to see swathes of overgrown shrubs and verges.

In fact, my last residents survey as a councillor brought in a staggering 1,200 responses to highlight outstanding street scene issues across the unadopted areas. When the local authority was unable to get the relevant developer to respond, either the issues remained outstanding or local residents formed groups such as the excellent Redhouse residents association, not just to hold developers to account but to organise action days to clear litter. I am sure that hon. Members can relate that to their own similar local experiences.

The principle of a developer bond is not new; I am proposing an extension of the powers already granted to local authorities, the first of which was granted through section 38 agreements under the Highways Act 1980. Those powers give the local authority the ability at the point of adoption to ensure that the highways infrastructure is built to an appropriate standard and is not a burden on the public purse. That covers things such as street lighting, pavement construction and drainage. However, it is relevant only when the developer is ready to seek adoption, when we often see an 11th-hour flurry of activity, as the developer is effectively forced to bring an area up to the agreed standard to allow for adoption. A section 38 agreement cannot force a developer into action before adoption, or make the developer complete the process of adoption, which is why areas in my constituency remain unadopted after 15 years.

The other power would allow for commuted sums secured through section 106 agreements. This is proving to be essential in sustaining the long-term maintenance of high-cost assets, which are often used as a wow factor by developers to generate sales, such as architectural street lighting, bridges, ponds and decorative street furniture. Without that, the standard local authority budgets would not be sufficient to maintain those items. The willingness to enter into those agreements shows that developers often appreciate the need for areas to be maintained in the long term. Those powers can be helpful and are to be encouraged, but they are limited to the stage when the roads are formally adopted for maintenance by local authorities.

My Bill would amend section 38 of the Highways Act 1980. It includes a new provision to allow local authorities to include a developer bond for the maintenance of the street scene in unadopted areas as part of a planning application. This is needed, because there are currently no powers available to local authorities to cover the transitional period between the selling of the first house and the area being adopted. In effect, I am seeking to address a discrepancy in the powers available to local authorities to ensure that estates are maintained adequately while they are unadopted.

My proposed system would allow the local authority to step in where a developer has not maintained an area to an acceptable standard, and it would then be able to recover its costs from the developer through the bond. The responsibility for maintaining the street scene would remain with developers, so my Bill would not affect developers who already maintain areas to a satisfactory standard. It would, however, provide local authorities and local residents with a safety net, if the developers do not play ball. That will help when developers refuse to bring an area up to an acceptable standard for road adoption, as they will no longer be able simply to ignore the problem. The bond would not tie developers in to long-term contracts, because it would be released, often untouched, as soon as the area was adopted.

[Justin Tomlinson]

Introducing developer bonds for the period before bringing an area up for adoption will also incentivise the developers to pass the responsibility for the area on to the local authority as quickly as possible. I emphasise that there are many good, responsible developers. In fact, they share the frustration about the damage done to the reputation of new build estates. My Bill would help to increase buyers' confidence in new build areas, which will benefit both residents and developers.

In summation, this Bill will improve residents' quality of life in new build areas throughout the country. As I have mentioned, it will not affect the majority of developers, who already adopt good practice in maintaining the street scene during the transition period, but it will improve good practice among developers for the benefit of residents.

In preparing the Bill I have been grateful to hon. Members who have highlighted their shared experiences of this issue. I hope that the Bill will go some way towards helping to improve the quality of life of all residents who have paid a premium to live in a new build house.

Question put and agreed to.

Ordered,

That Justin Tomlinson, Anna Soubry, Andrew Percy, Mr Robert Buckland, Andrew Stephenson, Stephen Gilbert, Caroline Nokes, Mr Philip Hollobone, Bob Blackman, Andrew Bingham, Mark Garnier and Karen Bradley present the Bill.

Justin Tomlinson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 17 June 2011, and to be printed (Bill 99)

Postal Services Bill

Second Reading

2.5 pm

The Secretary of State for Business, Innovation and Skills (Vince Cable): I beg to move, That the Bill be now read a Second time.

Let me begin by making it clear why we are here: Royal Mail and the Post Office are two cornerstones of our society. They are different businesses, but they are both essential to everyday life in the UK. Royal Mail is responsible for collecting and delivering letters. It provides a universal service that ensures the collection and delivery of letters and parcels from any postbox to any address in the country, and all at uniform, affordable prices. The Post Office is an unrivalled network of shops spread throughout the country. It allows people local access to essential services in the heart of their communities. The aim of this Bill is to secure the future of those two institutions and the services that they provide.

I look forward to support from Labour Members, because I know that they genuinely tried in recent years to secure the future of Royal Mail and the post office network. They no doubt agree with me that this must be the final, successful attempt to conclude that process.

Malcolm Bruce (Gordon) (LD): We know that the previous Government tried unsuccessfully to privatise the Post Office. Does my right hon. Friend agree that the Opposition amendment would, if carried, prevent us from carrying out the reforms that he and I, as former Trade and Industry and Treasury spokesmen, understand require capital to invest in the Post Office, and the workers and mutual beneficiaries to take a degree of ownership and control, in order to get the Post Office out of the mess in which it has been struggling for the past 10 years?

Vince Cable: The amendment to which my right hon. Friend refers was tabled by the nationalists rather than by the Labour Opposition. I think that it was drafted before the nationalists were aware of our proposals to strengthen the network. I hope that when they hear what we have to say they will rethink their amendment, because we will have done a great deal to meet their concerns.

Mr Mike Weir (Angus) (SNP): It will be interesting to hear what the right hon. Gentleman has to say. The National Federation of SubPostmasters has raised its concern about the split between Royal Mail and Post Office Ltd. It has pointed out that it cannot find anywhere else in the world where there is such a split between the delivery network and the post office network. Can he give us such an example?

Vince Cable: I will address the matters that the hon. Gentleman has described in detail. I remember him campaigning on this issue in the previous Parliament, when he lost nine sub-post offices in his constituency. We are implementing measures that will stop that happening in future. When he hears about them he will be considerably reassured.

Turning to the background to the legislation, there is, as I have said, a lot of common ground.

Emily Thornberry (Islington South and Finsbury) (Lab): The right hon. Gentleman may be aware that my constituency includes the second largest sorting office in the world. The 2,000 employees there believe that they provide a universal service at a low price. The system is not broken, and they do not understand why it is being "fixed" by the attempt to privatise it. Why are we going ahead with this?

Vince Cable: The hon. Lady's colleagues in the previous Government would have answered that question for her, because they acknowledged, as we do, that the system is broken. I will take her step by step through the arguments in the original Hooper report and in the updated version, which are common to hon. Members on both sides of the House.

The country that pioneered postal services in the 19th century has been left behind in the 21st century. The rise of e-mail and the internet has led to a dramatic fall in the number of letters that we send. The previous Government were well aware of that problem, and they commissioned an independent review of the future of the universal postal service chaired by Richard Hooper, which found that letter volumes were in structural decline, that Royal Mail was in great financial difficulty and that the universal postal service was under threat. The report's conclusion was encapsulated in its title, "Modernise or Decline". All parts of this House accepted the conclusion that the current system was broken; that relates to the previous intervention.

The company, the union, businesses and commentators all agreed with the Hooper conclusion that the status quo then was "untenable". What was the status quo then is still the status quo now, and Richard Hooper is clear that Royal Mail is now in a worse position. How has that happened? The previous Government endorsed Richard Hooper's recommendations and acted on them. They brought forward a Bill that the Liberal Democrats and our coalition partners supported. Sadly, it never reached this House, so the future of Royal Mail was not secured. That Bill would have allowed private sector investment in Royal Mail. It would also have enabled the Government to tackle the pension deficit, and reformed the regulatory regime for postal services. Those are all measures with which we agree, and they form the basis of this Bill. We agree with those measures because, as Richard Hooper says, they are essential if the universal postal service is to survive.

Emily Thornberry: May I make the point that the pension needs to be sorted out, sale or no sale, that regulation needs to be reconsidered, and that both those things can be done without the privatisation of Royal Mail?

Vince Cable: I shall come to the argument for not restricting private investment access in a moment. The simple point is that without private investment we will not get the capital investment that the Royal Mail needs to modernise. That is a simple argument, but I will develop it at length.

Huw Irranca-Davies (Ogmore) (Lab) *rose*—

Kate Hoey (Vauxhall) (Lab) *rose*—

Vince Cable: If hon. Members want to make the same point, there is no point in pursuing their interventions, but if the hon. Lady's is on a different point, I shall take hers.

Kate Hoey: If everything that the previous Government wanted to do was so good—and many Opposition Members opposed what they wanted to do—why are the coalition Government not simply taking up where they left off? Why are they going even further and totally privatising Royal Mail rather than leaving a majority share in the public sector?

Vince Cable: I shall take the hon. Lady through the arguments step by step, but the situation has deteriorated badly. I think that she lost seven post offices in her constituency, so she will know that the situation is not satisfactory and that the status quo cannot be maintained.

Huw Irranca-Davies *rose*—

Vince Cable: I shall take further interventions later but I want to proceed with the next step of the argument.

Let me dwell a little on Royal Mail's financial problems. When I came into government I was left in no doubt as to the real difficulties. I asked Richard Hooper to update his report from December 2008 because I wanted to ensure that the conclusions were still valid—and they are. Let no one in the House be under any illusion regarding Royal Mail's predicament. I recognise that there has been some progress. Opposition Members who represent areas with sorting offices will know that unions and management are now working together better—we acknowledge that—but that the pension deficit has ballooned. It is now more than £8 billion and Royal Mail has, proportionately, the largest pension deficit of any major company in the United Kingdom. In addition, it loses almost £1 million a day on its trading activity. It is an inefficient business in a market that is declining faster than anyone predicted. Hooper now forecasts that letter volumes could fall by as much as 40% in the next five years if nothing is done. That is why we are moving further and faster.

Mr Russell Brown (Dumfries and Galloway) (Lab): I appreciate that the right hon. Gentleman now finds himself in coalition with the Conservatives. There is a pension fund with a substantial amount of money in it; I know there is a deficit, but will he give the House a guarantee that the coalition Government will not do what a previous Conservative Government did to the bus employees superannuation fund? Under Margaret Thatcher they took money from that pension fund, which the Labour Government later had to replace.

Vince Cable: I shall address the pension proposals in some detail. They are virtually identical to what the previous Government were preparing to do. We are talking about taking on a massive liability from that fund. Let me remind the hon. Gentleman, who seems to be trying to defend the status quo, that he lost 13 post office branches under the previous Government. We are trying to deal with the problem that he and others have faced.

Mr Russell Brown *rose*—

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP) *rose*—

Vince Cable: I give way to the hon. Member for Na h-Eileanan an Iar (Mr MacNeil).

Mr MacNeil: My constituents in the outer Hebrides want to know what the service will look like for customers in the Hebrides, and for my postal workers, after these measures.

Vince Cable: As I reminded hon. Members a few moments ago, customers in the Hebrides have experienced a decline. We are going to turn that around, and I shall explain the process and investment by which we will do that.

Mr Russell Brown: On a point of order, Mr Deputy Speaker. I merely want to put the record straight. The Secretary of State has indicated that I lost 13 post offices but I did not; I lost two. I am anxious that he is bandying figures around.

Mr Deputy Speaker (Mr Lindsay Hoyle): That is not a point of order, but the hon. Gentleman has certainly made a point of clarification.

Vince Cable: The hon. Gentleman might want to correct the official record if that is the case.

Let me explain why we need the Bill. We should ask what will happen if we do not act, and do not proceed with it. The Government believe that we still need a universal postal service, collecting from all post boxes and delivering to all 28 million postal addresses six days a week. We will still be required under EU law to fund the universal service if no one can provide it commercially, so the taxpayer could be left to pick up the pieces. We cannot predict how much that would cost, or when it would happen if no action were taken, but we know that it would not be cheap and we are not prepared to take that risk with taxpayers' money—not with the public finances in the current state. That is why we are determined to press ahead with the Bill.

This is not simply about making sure that taxpayers do not have to cover the costs: it is about doing what is right for the future of the company and its employees. Richard Hooper is clear that if his recommendations are taken forward urgently, the Royal Mail has a potentially healthy future. As my predecessor, the right hon. Member for Wolverhampton South East (Mr McFadden), said almost two years ago,

> "I believe that Royal Mail and the postal market can thrive in the future, provided that decisive action is taken now." [*Official Report*, 16 December 2008; Vol. 485, c. 966.]

We are taking that action.

The problems that Royal Mail faces can be addressed through the Bill. After all, it is the only company with the ability to visit all 28 million addresses on a daily basis. It has an unrivalled customer base, and it can build on its position as the leading provider of letters and parcels by providing a new range of digital products for its customers. The Bill is the only way that we can make that positive future a reality.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I shall save the right hon. Gentleman some trouble by telling him that I lost 11 post offices and gained a mobile van service. Many Opposition Members were not happy about partial privatisation. One reason given for it by the previous Government was that the commercial situation and market conditions were not right, so it would be difficult to get a decent buyer. What makes him think, in the current economic circumstances, that anyone else will be interested?

Vince Cable: We are providing a framework in which a sale could take place and we are not setting timetables or limits. Those are the conditions in which we are most likely to get value for money. This is a framework piece of legislation. That is why we are likely to do better than before. I shall come to the details regarding Royal Mail shares in a moment.

Andrew George (St Ives) (LD): The Secretary of State will be aware that people in west Cornwall and the Isles of Scilly are reassured that the universal service obligation will be retained. However, the access arrangements that were agreed, with regulatory intervention from Postcomm, have left Royal Mail in the very weak position of delivering letters for its competitors at a price that, frankly, undermines its commercial viability. I note that clause 48 addresses this issue, but can he reassure me that Royal Mail will have a far better crack of the whip when those terms are negotiated?

Vince Cable: I assure my hon. Friend that will be the case. My colleague the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), who has responsibility for postal services, will spell out later today and in Committee exactly how the process will operate. My hon. Friend is right: at present the deregulation provisions do not give the Royal Mail sufficient protection against unfair competition. We want to make sure that there is more protection in the deregulation process.

Huw Irranca-Davies: Will the right hon. Gentleman give way?

Vince Cable: I shall take one more intervention before I move on.

Huw Irranca-Davies: I thank the right hon. Gentleman for giving way; I do not know why he was so reluctant to take my question earlier.

I do not have an ideological argument with the Secretary of State. My point is about the argument that he has failed to address. Why is full privatisation needed, rather than the proposal that we put on the table? He has not addressed that point. It is not Red Huw from Ogmore making this argument, but the large majority of Liberals. Conservative voters are saying the same thing: why full privatisation?

Vince Cable: The hon. Gentleman is right to say that this is not an ideological question. I shall come to the share sale issue shortly, but I have no ideological stance on it. I see a role for public ownership in certain circumstances: I think I was ahead of most Opposition Members in pursuing public ownership of the banks during the crisis. There is a role for public ownership in certain circumstances, but this happens to be a case when it serves no useful purpose, and we are quite prepared to adopt a pragmatic approach to get the best provision for Royal Mail and the universal service, and the best value for the taxpayer. We have no ideological hang-ups, and I am glad that the hon. Gentleman does not either.

Mr David Anderson (Blaydon) (Lab): May I point out to the right hon. Gentleman that for more than a century a number of Labour Members have believed in the nationalisation of the banks?

Vince Cable: Is that the voice of heritage Labour—at last?

Let me summarise the substance of the Bill. As the discussion so far has revealed, Members will find much in the measure that is familiar. As I said, when drafting the Bill we drew on much the same evidence as the previous Government. The facts are not in dispute, and we have reached much the same conclusion: the company needs private sector investment, the pension deficit must be tackled and the regulatory regime must be reformed. However, this Bill is not identical to the previous Government's Bill.

We have taken the opportunity to learn from what has gone before and to develop a new Bill that builds on this Government's commitment to employee participation. The right hon. Member for Wolverhampton South East made a major contribution to advancing the debate on the modernisation of the Post Office. When he was Minister for postal services, he said:

"We need a longer-term plan, with a proper buy-in from the work force".

—[*Official Report*, 11 February 2009; Vol. 487, c. 1449.]

That is exactly what the Bill hopes to deliver.

First, let me turn to specific issues relating to the Post Office. As I have said, the Post Office and Royal Mail are different businesses. They face different challenges, which means that our approach has to be different. The post office network is unique. There are about 11,500 branches across the country, and it operates in places where other retailers do not. It offers services that other retailers do not. Above all, the Post Office plays an essential social and economic role in our communities. For that reason, the Post Office is for sale. The Bill is absolutely clear on that point.

I am concerned, however, that the current structure of the company is holding the network back. It seems to me that the Post Office is ideally suited to a Co-operative Group style of structure, where employees, sub-postmasters and communities get a greater say in how the company is run. The Bill includes a provision that would allow for a possible future mutualisation of the Post Office. Let me be clear that no firm decision has been taken on mutualisation; there would be a full public consultation before we moved to a mutual structure. In the meantime, I have asked Co-operatives UK to explore options for how a mutualised Post Office would work best.

Mark Hendrick (Preston) (Lab/Co-op): Has any thought been given to whether that would be a worker co-operative or a consumer co-operative?

Vince Cable: It could be either, or a combination of the two. That is why we have turned to the Co-operative Group to give us advice on the structure. However, I take it from the tone of the hon. Gentleman's intervention that that broad approach would be welcome to him.

Albert Owen (Ynys Môn) (Lab): The right hon. Gentleman talks about a mutual for the Post Office, but has he looked at a mutual or other model for the Royal Mail, rather than pure privatisation? In Wales, as he knows, Welsh Water is run by a not-for-profit organisation. It is unique and gives universal service across Wales. Could that not be done for the Post Office across the United Kingdom?

Vince Cable: The Royal Mail and the Post Office are different businesses and they require fundamentally different solutions. The issue for Royal Mail is capital—how we deal with the pension fund. It requires a different model.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): The Secretary of State has made slightly contradictory statements. First, he said he was consulting Co-ops UK for advice on mutuality and then he said he was consulting the Co-op Group. They are distinct organisations—one is advisory and the other is a huge retail operation. Could he clarify which he means?

Vince Cable: We are asking Co-operatives UK to give us advice. The hon. Gentleman is very close to the co-operative movement, so his input to the discussions will be welcome.

Mr John Redwood (Wokingham) (Con): Will the Secretary of State give way?

Vince Cable: Oh dear.

Mr Redwood: I am grateful to the Secretary of State. Do I assume that he is talking about mutualising the Crown offices, which the state already owns, and not mutualising the bulk of post offices, which are independent private sector retail businesses that it might be difficult to mutualise against their will?

Vince Cable: Individual post offices are of course self-managed, but they operate within Post Office Ltd. It is the structure of Post Office Ltd that we are concerned about. The process clearly needs advice and further thought, which is why we are approaching it with the maximum degree of engagement and consultation, and the right hon. Gentleman will be one of the people whose advice I shall seek.

Several hon. Members *rose*—

Vince Cable: I have taken a substantial number of interventions and I want to proceed.

I know that these proposals mean setting out on a new course, and that before any changes can be made the network will have to be put on a secure financial footing. Subject to consultation, it is the right outcome for the network. I hope the Post Office can make the transition before the end of this Parliament.

Let me further reassure the House about how we shall put the Post Office on a more secure financial footing.

Huw Irranca-Davies *rose*—

Vince Cable: I will take interventions at the end of the next section of my speech. I have already given the hon. Gentleman answers to some of his questions.

Communities up and down the country have rightly been concerned about the shrinkage of the network over previous years, and despite the efforts of Opposition Members—notably the shadow Chancellor—there has been remorseless decline over the last three decades. The previous Government's closure programmes shut 5,000 post offices. I commend Members on both sides

[Vince Cable]

of the House who fought against those closures. Those days are over. I echo the words of the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson) from some years ago:

"We had a choice. One was to continue to watch decline turn to crisis and crisis turn to collapse, leaving it as someone else's problem down the road." [*Official Report*, 15 February 2000; Vol. 344, c. 870.]

This Government do not believe in passing on the problem, so we shall fund the post office network, and when I say "fund" I do not mean setting aside millions to buy off sub-postmasters when we close their business.

The option of keeping the network on a care and maintenance basis and letting it decline is one we have rejected. I can today announce £1.34 billion of new funding for the Post Office over the spending review period. The funding will be used to reform the current network, to change the underlying economics, and so reverse the years of decline and secure its long-term future. I am grateful in particular to the Chief Secretary to the Treasury for his understanding, even in a tough spending round. I repeat, there will be no programme of closures under this Government and the Post Office will be able to invest, improve its offer and win new revenue streams.

Several hon. Members *rose*—

Dr Julian Huppert (Cambridge) (LD): Does my right hon. Friend share my sheer joy and satisfaction both about the money and about the idea that we will no longer have to campaign against Government closures of post offices? We can get on with supporting them in their work.

Vince Cable: Yes, indeed. That is the outcome. For the past decade I and many on the Opposition Benches have been involved in fighting for our local post offices. In many cases, constituencies have seen the loss of a dozen post offices. That will come to an end.

Huw Irranca-Davies: On that very point, I am grateful for the clarity of the right hon. Gentleman's response, although the figure seems less than the support that the Labour Government put into the post office network. An individual in my constituency has just successfully kept a branch open with the investment of tens of thousands of pounds of his own money, as well as funds from the Welsh Assembly Government and some Post Office Ltd money. Will he be an independent trader under the umbrella of Post Office Ltd, or some sort of commercial, co-operative, mutual whatever? He has just put a lot of money in, and the Secretary of State does not seem to be clear.

Vince Cable: I am surprised to hear Opposition Members speaking against mutualisation and co-operation. I thought that was at the heart of the Labour movement's values. We will consult on how, in practical terms, the post office network becomes a mutual structure. I made that clear. By shifting us into the structural arguments again, the hon. Gentleman is taking away from the considerable importance of the announcement that has just been made, which is that the process of remorseless and endless closures—I think he has had seven in Ogmore—is going to come to an end.

Huw Irranca-Davies: On a point of order, Mr Deputy Speaker. The right hon. Gentleman is spraying around statistics on post office closures and, once again, he is getting them wrong. I realise that I may be out of order, but that is unforgivable.

Mr Deputy Speaker (Mr Lindsay Hoyle): Let us clear this up. We both know that that is not a point of order. Many hon. Members want to speak. Spurious points of order do not help the Chamber. We need to get on with the debate. We may have a chance for everybody to put their opinions afterwards.

Vince Cable: I will take one more intervention.

John Hemming (Birmingham, Yardley) (LD): On the issue of the individual, private, sub-contracted post offices, does my right hon. Friend find it surprising that Labour Members cannot understand that those post offices will remain open as independent sub-contractors with a mutual network?

Vince Cable: Yes. Labour Members seem to find the concept of an expanding, properly invested post office system a bit of a culture shock. They have got used to a decade of decline—they presided over it.

Tom Brake (Carshalton and Wallington) (LD): Does my right hon. Friend believe that he has created enough scope for post offices such as the one in Beddington, which shut a number of years ago, to be reopened? In what circumstances does he see new post offices opening?

Vince Cable: As I say, investment capital availability ultimately comes down to the individual decision of individual postmasters. As my right hon. Friend the Member for Wokingham (Mr Redwood) pointed out, these are individual investment decisions, but the network will in future be put on a structurally sound, properly funded basis. That is the essence of the reforms that we are introducing.

Mr Weir *rose*—

Vince Cable: I will press on. The hon. Gentleman has had his say.

In addition to funding, we are injecting new ideas. We have been re-thinking the role of post offices in providing Government and banking services, and we will be coming back shortly with a fuller statement on that problem, setting out some new and positive ideas that I hope will command support on both sides of the House and in the country.

I would like to reassure the House with respect to the relationship between the Post Office and Royal Mail. The Post Office is currently a subsidiary of Royal Mail, but they are separate companies and they are very different businesses. As part of our plans for both companies, the Bill will allow for the separation of Royal Mail and the Post Office. Separation will give the Post Office management greater freedom to focus on the branch network and providing new services, but I want to make it clear that in this case at least, separation is not a first step towards divorce.

The Post Office and Royal Mail will continue to work closely together. Each company needs the other. Post offices carried out over 3 billion mail transactions for Royal Mail last year. The two companies are closely

linked in the public mind, and are bound together by an overwhelming commercial imperative. There is currently a long-term contract in place between the two companies, and there will continue to be a long-term commercial contract in place. The chief executive of Royal Mail has said that it would be "unthinkable" that there will not always be a strong relationship between the Post Office and Royal Mail.

I shall move on to Royal Mail ownership and the processes involved in the sale of shares.

Julie Hilling (Bolton West) (Lab): I am slightly confused by what the right hon. Gentleman has said. First, will all post offices remain open? Secondly, will the private company always have to do business with those post offices? Is that guaranteed for ever and ever?

Vince Cable: No. The relationship between Royal Mail and the Post Office rests on two things—first, on mutual interest. They have strong mutual interests and depend on each other. Secondly, there is a contractual relationship. This will not change as a result of the separation of the two. Public ownership did not secure the arrangement. It is secured by mutual interest and contractual obligation. That will continue.

Mr Redwood: Where the property is shared between the Post Office and Royal Mail, as it is in a number of important locations, is the intention to split the site, create separate title to different parts of the site and give each its own front door, or will they share the property?

Vince Cable: Obviously, such detailed matters will need to be resolved as the process of separation continues. It is a practical issue and, as it is a commercial matter, Post Office and Royal Mail will look for the most sensible, practical, least cost arrangement.

For the foreseeable future, Royal Mail will be the only company capable of providing the universal postal service. That means that if we want to continue to benefit from a universal service with uniform and affordable prices, we have to equip Royal Mail to survive, and indeed thrive. There is no choice. That was the conclusion of the original Hooper review commissioned by the Opposition, and his recent update for the coalition Government.

Malcolm Wicks (Croydon North) (Lab) *rose—*

Vince Cable: I will finish this section, then I will take the intervention from the right hon. Gentleman, who I know was a Minister and had close involvement with this matter.

Some Members of the House will say that Royal Mail can modernise and survive while remaining in the public sector. They will say that Government can provide the funding that Royal Mail needs, and that the modernisation agreement in place between the union and the company is sufficient to stave off the decline in the market. That is not a view that I share. I did not share it in opposition and I do not share it now, nor is it shared by Richard Hooper or the company.

Let me be clear. The Government are the wrong shareholder for the company. Given the Government's financial constraints, we cannot invest enough quickly enough, we cannot invest flexibly enough, and every investment that we make has to be cleared by the European Commission under state aid rules. Richard Hooper is also clear that Royal Mail cannot modernise properly, and cannot take the decisions that it needs to take, while it has the threat of political interference hanging over it.

Private sector capital will bring with it private sector disciplines, which will allow the company to modernise faster to keep pace with the changes in the market. As the last Minister with responsibility for postal services wisely said:

> "Unless modernisation happens, the company will be ill equipped to deal with its challenges."—[*Official Report*, 11 February 2009; Vol. 487, c. 1452.]

The Bill will therefore lift the restrictions that currently exist on the sale of shares in Royal Mail.

Malcolm Wicks: For a range of reasons, there is a widespread acceptance that Royal Mail has to modernise. That should not be a source of controversy. But given that, according to a recent YouGov poll, 60% of the public wished the service to remain a public service, including a clear majority of the Minister's own party's supporters—voters—and Conservative supporters, with only 15% opting for privatisation, why have the Government rejected the option of modernising a public service? We have modernised public services before. Modernisation and public service can go together.

Vince Cable: That has been happening for 13 years and it has not solved the problem. The problem is deteriorating and the Government cannot provide the investment capital. The right hon. Gentleman is right about public opinion. The public are concerned about the universal service obligation. That is the essence of public service, and it will be protected. The protections will be strengthened under the Bill in a way that I will explain in a moment. When the public understand that it is the universal service obligation, rather than public ownership itself, that is being maintained, they will have considerable reassurance.

Mr Roger Gale (North Thanet) (Con): I shall support Second Reading because Royal Mail is broke. It has to be fixed, which will take a considerable amount of money, and the Bill is the only way forward. The Secretary of State may consider this a peripheral issue but, since Queen Victoria, Royal Mail has borne the royal imprimatur. My understanding is that under European regulations, it is not possible to restrict ownership of Royal Mail once it goes on to the open market, so it could well be sold to the Dutch or the Germans. Notwithstanding the provisions of clause 60, how will the royal charter be maintained?

Vince Cable: We certainly do not have any doctrinal or other objections to foreign ownership. I spend a lot of my time trying to attract foreign investors to the country, but, as far as the royal charter is concerned, it is clear that the association with the monarchy is probably the most powerful brand that the company can possibly have, and there will be every interest in the new owners continuing to maintain it.

We need to be careful of specific issues. We need to be careful that the new owners do not abuse the royal association, and we are discussing with the palace how

[Vince Cable]

we build in those protections. The monarch will continue to have the right, which we are also building in, to ensure that any new stamp, for example, is cleared by the palace. So, the royal interests in the matter are fully protected. We are very sensitive to them and to their importance.

Let me return to the core of the argument, which is the sale of shares in Royal Mail. That is a departure from the previous Government's Bill, but I should remind the House that the purpose of the Bill before us is not the sale of shares in Royal Mail for its own sake, but rather, as I pointed out to the right hon. Member for Croydon North (Malcolm Wicks) a few moments ago, the protection of the universal postal service and Royal Mail as the only company capable of providing it.

It is therefore right that we allow for the flexibility to seek the investment required to secure the future of Royal Mail and the universal postal service. So, we see no reason at this stage to set an arbitrary target for how much we must sell, by when and by which method. Those are critical decisions that need to be taken with proper advice and in the full knowledge of market conditions, assessing both value for money and the company's needs.

Of course, Parliament will be kept informed of those decisions, and the Bill requires a report to Parliament once a decision has been taken to begin a sale process. I hope to be in a position to report to Parliament on the sale process in the first half of this Parliament. In the longer term, I do not believe that there is a need for the Government to keep a stake in Royal Mail, but I will ensure that the Government have the flexibility to ensure the right outcome for taxpayers, for Royal Mail and for its employees.

Let me turn to the interests and concerns of the employees. The employees are critical to Royal Mail's ability to modernise and thrive, and it will come as no surprise to Members when I say that Royal Mail has a history of poor industrial relations. Members may have noticed that Unite announced two days ago that it would ballot Royal Mail managers on industrial action. That recent development aside, I have been heartened by some of the positive steps that have been taken to improve industrial relations—in particular, the agreement with the Communication Workers Union on the modernisation of the business. The agreement accepted that, unfortunately, job losses would be associated with the modernisation. It accepted, too, that there would need to be changes to working practices, and that mail centres would close. The plan has already been agreed with the CWU, and the company is implementing it now.

Kate Hoey: One depot that has been suggested for closure is the very large one at Nine Elms in Vauxhall. There has certainly been no agreement in London that it should close, and everybody will fight its closure very hard, because it would be just crazy for everything—lorries and vans—to go in and out of London, adding to pollution.

Vince Cable: I am not familiar with the details of the argument in that case. I was referring to the fact that there has been a constructive relationship between the union and management on modernisation, but such issues do exist, and they are essentially commercial ones that must be dealt with by management and their employees in the normal way. None the less, I would be interested to know whether there is a specific role in the matter for the Government, and I shall respond to the hon. Lady on that.

So, I acknowledge that there will be job losses. The company is losing money and the market is declining, and that is regrettable, but it is unavoidable. The question that we need to pose is, what happens if we do not take action? What happens if Royal Mail fails and the market collapses? That is the current trend. I know that the CWU has been in Parliament today, talking to many hon. Members about their views, and I and my hon. Friend the Under-Secretary, who has responsibility for postal affairs, met the CWU to discuss Royal Mail. We look forward to continuing to talk to its representatives as the Bill goes through Parliament.

However, I have one thing to say to the union directly today: the worst thing for its members, Royal Mail's employees, would be to do nothing, because that is the real threat to jobs in Royal Mail. The employees of Royal Mail also deserve better than constant battles between the union and the management. They deserve to be properly engaged in the business that they work for, and to have a real stake in its future. That is the only way in which we will break for ever the cycle of antagonism and mistrust that has bedevilled the company. The Bill therefore requires the creation of an employee share scheme, which will hold at least 10% of the equity in Royal Mail in future. That is very far from being a token gesture; it is nothing less than the largest employee share scheme of any major privatisation.

The employees of Royal Mail will also be concerned about their pensions, and they have good reason to be, because Royal Mail's pension deficit is huge, growing and volatile. Put simply, it is not sustainable. Even the recent agreement between the pension fund trustees and the company is fragile. It requires that Royal Mail pay off its deficit over 38 years, which is at least twice as long as any other UK company's repayment plan, and the pensions regulator has already said that it has substantial concerns about the agreement.

Mr Jim Cunningham (Coventry South) (Lab): Will the right hon. Gentleman give way?

Vince Cable: I am going to go on to explain the new mechanism. Would the hon. Gentleman like to wait until I reach the end, or does he wish to intervene on that particular point?

Mr Cunningham: On that particular point.

Vince Cable: All right.

Mr Cunningham: On pensions, what will happen to the assets, and what is their value? I am told that the pension plan has assets of about £26 billion. Is that true?

Vince Cable: Yes, it is true, but the liabilities are much bigger. I shall explain in a moment how we will deal with the assets.

The pension deficit, which is the starting point, threatens the very existence of the company. It is draining cash from Royal Mail's modernisation and preventing it from undertaking the reforms it needs to survive. That

is why the Government have to take action today. As part of the sale, the Bill will allow the Government to take on responsibility for the pension deficit. We will not only address the deficit, but reduce the size of the Royal Mail pension plan to a more manageable level for the business. The liabilities of Royal Mail are more than 50 times annual profits. By comparison, the liabilities of the average FTSE 100 company are closer to one times profits—an enormous difference.

We intend to reduce the plan to about one tenth of its size today. We will do so by creating a new public sector pension scheme that will assume responsibility for paying out the past pension benefits of Royal Mail employees. In effect, all members of the Royal Mail pension plan will have their past service moved to a new Government scheme like that of the NHS or teachers. It is the same solution to Royal Mail's pension problems as the previous Government proposed in their 2009 Bill.

I know that hon. Members will be concerned about the detail of the proposed pension arrangements, and we will provide a note to Parliament in order to explain the practical effects of those very complex changes, but I should like to reassure the House on two points in relation to pensions.

First, let me be clear that this solution is by far the best outcome for the employees of Royal Mail. The action that we are taking in the Bill will ensure that all the benefits that employees have earned will be safeguarded. The benefits that become the responsibility of the Government will be protected in the Bill, and all members of the Royal Mail pension plan will benefit from that support—Post Office and Royal Mail employees alike.

As a bottom line, the Bill places an obligation on the Government to ensure that our action leaves members in no worse a position than they were in before. This means that the amount of benefits that they receive will be at least as good as if the Government had not acted. There will also be a restriction on the Government's ability to make any changes to the new public scheme in future that would adversely affect members. The Government intend to use that restriction to reflect as closely as possible the current protection that members of the pension plan are afforded under section 67 of the Pensions Act 1995.

Secondly, the measure is not a Government plan to massage the Government's accounts, for the very simple reason that the Royal Mail pension plan has a deficit of £8 billion. That is the cost to the Government of implementing the solution on behalf of the company and its employees. Let me be clear: the Government are taking on liabilities that are much bigger than the assets. I have seen reports—perhaps this is what the hon. Member for Coventry South (Mr Cunningham) was referring to—that the Government will be selling off the Royal Mail pension plan's £24 billion of assets. It is certainly true that the surplus assets above the level needed to leave the ongoing pension plan fully funded will be transferred to the Government. It is also true that these transferred assets will be sold because it makes no sense for Government to sit on a massive investment portfolio.

I, for one, do not wish to see central Government taking such a huge investment risk with taxpayers' money. So yes, we will sell the portfolio of assets which transfer across to Government, and this is likely to involve over £20 billion of asset sales over time. But the important point—it is absolutely crucial to this argument—is that we will be making payments to members of the Royal Mail pension plan for at least the next 50 years.

Mr Anderson: Can the Secretary of State explain why the liabilities are so huge? Is part of the reason the fact that Royal Mail took a 13-year contributions holiday in the 1980s and 1990s?

Vince Cable: I understand that my hon. Friend the Under-Secretary is very familiar with this and has spent a lot of time talking to the pension trustees. There is a whole set of reasons behind this deficit, one of which is that employees are living longer; another is that the pension fund made some rather bad investment decisions. There are contributory factors. But we are where we are: there is a massive deficit and we have to deal with it; that is the centre of the problem.

Let me add that the Government's support for the Royal Mail pension plan is subject to state aid approval by the European Commission. The House can rest assured that we will be going to Brussels to make this case in the strongest possible terms.

Let there be no doubt: this is a good deal for the employees of Royal Mail. In almost all important respects, it is exactly the same deal as that in my predecessor's Bill—but coupled with the legal requirement for employee shares, it is a much better deal for employees.

Malcolm Wicks *rose*

Vince Cable: It is a solution on which I hope that Members in all parts of the House can agree, including the right hon. Gentleman.

Malcolm Wicks: On the pension issue, which is so crucial, Labour Members will want to scrutinise the plan and the idea of selling off the assets in return for guarantees. It seems to me, however, that that plan, whether it is the right one or not, could still be carried out if the service remained a public service. I do not see why it is intrinsically and inextricably linked with privatisation. Something like this needs to be done anyway, whether or not this is the right model.

Vince Cable: Of course it does need to be done anyway, but as I explained a few moments ago, the key point about bringing in private capital is that it brings in investment as well as new and better methods of management. There are separate issues involved. However, the right hon. Gentleman is quite right: the pension fund deficit needs to be dealt with. If it were not dealt with—if the thing just continued—there would be a real danger that it would contribute to the collapse of the company: that is why we have had to intervene.

I apologise to the House for going on for such a long time, but a large part of that has been taken up with interventions, as I was anxious to ensure that Members who had concerns were able to raise them.

The last section of my speech relates to reform of the regulatory regime. At the heart of this Bill, just like the last Bill, is protection of the universal postal service. The Bill will maintain the universal postal service at its current levels—that means six-days-a-week delivery and collection at uniform, affordable prices. I would like to

[Vince Cable]

reassure the House that I have no intention of downgrading this service. I know that some Members have been concerned about their constituents receiving a reduced service, and I share that concern. I have therefore ensured that the Bill contains new and stronger protections around the service than is currently the case—stronger protections, too, than were in the Bill put forward by our predecessors.

Members may not be aware of this, but the Government already have the power to reduce the minimum requirements of the universal postal service without even requiring a debate in Parliament. Through the European Communities Act 1972, it can reduce them to the minimum requirements of the European postal directive—that means five-days-a-week delivery and no requirement for uniform pricing. I do not think that that is an acceptable situation. Another way of putting it is that we have European regulation to protect the universal service obligation. This is one occasion where we are arguing in favour of gold-plating; indeed, as my hon. Friend the Under-Secretary has pointed out, we are platinum-plating this particular set of protections.

Robert Halfon (Harlow) (Con): I very much welcome the reforms that the Secretary of State has announced today and the commitment to a universal postal system. However, will he allow other companies also to provide a universal postal system if they so wish?

Vince Cable: We cannot do it in that way. Of course, other companies have access to the market, subject to strict conditions, but we envisage that Royal Mail will continue to be the universal service provider: that is the basis on which we are proceeding.

The Bill puts in place three new safeguards: the platinum-plating, so to speak. First, the Bill ensures that no proposal to reduce the minimum requirements of the universal postal service can be proposed until the new regulator, Ofcom, has conducted a review of user needs. Secondly, any proposal to reduce the requirements of the universal postal service must be subject to a majority vote in both Houses of Parliament. Thirdly, any reduction in the minimum requirements cannot change the uniform nature of the service. The Bill states that the service and the price must be the same across the whole of the UK. I hope that Members in all parts of the House will support these new protections for the universal postal service.

Glenda Jackson (Hampstead and Kilburn) (Lab): Earlier, the Secretary of State said that one of the central issues in the modernisation and advancement of Royal Mail and the Post Office was—I am paraphrasing—the removal of political intervention, but he is now talking about a contract that is surely still politically in the hands of politicians. How can he possibly stand there and guarantee that there will be no changes whatsoever to the universal service? I cannot, for the life of me, imagine any private company signing up for a contract that is immutable, which is surely what he is saying the changes will bring about.

Vince Cable: I am not making these commitments as political commitments. They are enshrined in regulation—regulation that will be strengthened and has the force of law. Of course, that is political in the widest sense if one regards this Parliament as political. The protections are going to be legal and regulatory; this is not a matter of political discretion for individual politicians.

We will also be taking other measures to secure the universal postal service. The greatest threat to postal services comes from the decline in mail volumes and the rise of e-mail and the internet. It therefore makes sense for the postal sector to be regulated alongside the broader communications market. For that reason, the Bill will transfer responsibility for the regulation of the postal services sector from Postcomm to Ofcom. Ofcom has a deep understanding of the wider communications markets and will be well placed to take decisions as regulator of postal services. The Bill will also give Ofcom a primary duty to exercise its functions as regulator of postal services in a way that it considers will secure the universal postal service—and it will need to consider the financial viability and efficiency of the universal service in taking its decisions.

We want to ensure that the new regulatory framework is proportionate to the needs of the market. We want to allow for rapid deregulation where there is competition. All mail providers need to be able to operate in a fair and effective market as soon as possible. As an ultimate protection for the universal service, the Bill includes provisions for special arrangements should a universal service provider be at risk of entering into insolvency proceedings—a remote risk but one that we have to consider. The arrangements would allow the appointment of a postal administrator whose objective would be to ensure that the universal service is maintained. We do not expect ever to have to use these provisions, but they provide an additional safeguard for the universal service. These measures mirror those that have been taken in the energy and water sectors.

Andrew George *rose—*

Vince Cable: I will take one more intervention and then move to a conclusion.

Andrew George: I am much reassured by what the Secretary of State is saying. Further to my earlier intervention, I am merely seeking reassurance that the access agreements between the new Royal Mail and its competitors will be set in a regulatory framework that gives it a fair crack of the whip when negotiating the terms and the price. Under the present arrangement, Royal Mail is clearly, in effect, subsidising its competitors because it is delivering their mail.

Vince Cable: I believe I have given my hon. Friend that reassurance. Royal Mail will not subsidise its competitors, protections will be built in and there will be a genuine regulatory level playing field in a way that has not been quite true in the past.

Previous attempts at legislation on Royal Mail have not had a great history of success. I anticipate that there may be some opposition to the Bill both inside this House and elsewhere, although I believe that after 20 years of false starts, there is now a willingness to do what needs to be done. There is no easy way out, and the problems that Royal Mail faces will not go away. There will be no winners if we fail to act. Royal Mail's employees will face continued uncertainty over their pensions and their jobs, customers will face a declining

service and taxpayers will continue to bear the risks. Ultimately, Richard Hooper was clear that without this action, Royal Mail would fail.

Royal Mail needs this Bill. The company says so, Richard Hooper says so, the previous Government said so and I say so. I therefore strongly commend this Bill to the House.

Mr Deputy Speaker (Mr Lindsay Hoyle): I inform the House that Mr Speaker has not selected the amendment.

3 pm

Mr John Denham (Southampton, Itchen) (Lab): For more than 350 years, the Royal Mail has delivered the post to homes and businesses across the United Kingdom. Created by the Crown, for all that time it has been to all intents and purposes a public service run in the public interest, and it has always been seen as a huge and valuable national asset, run in the national interest. Today's Bill would change all that. It would lead to the total sale of the Royal Mail, and a huge sum of public money would be spent to enable a private sale to take place. I believe that that sum has just gone up again by a substantial amount.

The Bill may mean the Royal Mail, this national asset, passing into foreign ownership or to short-term investors interested only in the quickest possible profit. For the first time ever, it has to provide for a special procedure to deal with the insolvency of a private Royal Mail.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The right hon. Gentleman talks about Royal Mail being owned in the national interest and about profits in the private sector, but was not the great burden hanging over it when it was owned in the national interest that its profits were taken by the Treasury for other purposes, rather than being invested in modernising it to let it compete effectively in the market that his Government forced on it?

Mr Denham: The hon. Gentleman may have a point about the use of those profits, but I would rather they went to the Treasury or to the Royal Mail, not to a private company whose owners lie overseas. The defence of the national interest lies with public ownership.

Today's Bill provides, for the first time ever, for the breaking up of the Royal Mail, with different organisations providing the universal postal service in different parts of the country. It breaks the umbilical link between the Royal Mail and the network of local post offices prized by residents and communities up and down the country, and does so in a way that threatens the future of thousands of local post offices. It is a very serious Bill, and it must be considered seriously and in detail in the weeks and months ahead.

Of course, serious discussion of the Bill must acknowledge why the coalition Government have concluded, as the previous Labour Government did, that doing absolutely nothing is not an option. The competition for the services offered by Royal Mail, including from new ways of communicating, has changed more dramatically than anyone envisaged even 10 years ago. Last year, it reported a drop of 7% in letter volumes. Other operators have been taking business upstream faster than expected. Some 87% of all mail in the UK is sent by businesses to people at home or to other businesses, and competitors have already won more than 60% of the upstream, pre-sorted bulk mail market, delivering their customers' mail into the Royal Mail system for final delivery.

Over the fast-approaching horizon will come the full impact of technological change—e-mail, web-based advertising, text messaging, mobile phones and all the other modern ways of communicating. The worldwide postal market is expected to decline by 25% to 40% over the next five years. The problems with the pension fund, which had their origin in the 13-year pension holiday until 2001, have mounted. There was, therefore, a consensus that action needed to be taken.

Kate Hoey: My right hon. Friend has mentioned a number of issues, but he has not drawn attention to the EU directive on postal services, which allowed companies such as TNT to cream off all the profitable parts of Royal Mail and leave the universal service within the public sector. That directive was agreed to. Does that not show that we should examine EU directives a little more carefully in future?

Mr Denham: All EU directives should always be examined very carefully as a matter of principle. There is perhaps a debate to be had about whether a six-day service exceeds the strict requirements of the EU directive, but my hon. Friend raises an important point. If she will allow me, I will return a little later to how competition has developed in practice and whether we have a level playing field.

There was consensus about the nature of the action that needed to be taken. The Royal Mail needed to be transformed to become more efficient and competitive, and that transformation would need new management and vastly improved industrial relations. The taxpayer would need to take on the liabilities of the pension fund, and access to investment was needed.

However, the central question that the House must ask today and in the coming weeks is whether the Secretary of State's way forward is the best. We will oppose the Bill, although we do not oppose every element in it. We believe that abandoning the commitment to keep Royal Mail as a publicly owned organisation is wrong. Clause 1 abandons that commitment, which was restated by the Labour Government. That will inevitably threaten the public interest, from the moment the sales process starts to the long-term future of both Royal Mail and the Post Office.

Public ownership of the Royal Mail provides the ultimate safeguard for the public interest. It ensures that even if other policy fails, it is not too late to defend the interests of the public, whether by protecting the delivery of letters six days a week to every home in the UK at a standard price, or by guaranteeing the business that can sustain a network of local post offices. Public ownership can ensure that public money is invested for public benefit, not private profit.

The front-line defence of the public interest lies, of course, in the legal framework in which Royal Mail and the Post Office operate. The Bill will transfer responsibility for regulation from Postcomm to Ofcom, as did Labour's Bill. We will need to consider carefully in Committee whether a regulatory framework designed for a publicly

[Mr Denham]

owned company remains as well designed for the foreign-owned or private equity-backed company that might soon run Royal Mail.

The relationship between the public interest and Royal Mail is not governed by regulation alone. Local post offices need a continuing public subsidy, and that in turn depends on the commercial relationship between Royal Mail and the post offices. Both those issues have properly concerned Ministers and Parliament in the past. In some crucial areas, such as the relationship between Royal Mail and the Post Office, the Bill will weaken the ability of Ministers and Parliament to act in the public interest. In other areas in which Parliament might wish to defend the public interest, such as the universal service obligation, it leaves too much discretion for the regulators and Ministers to waive the public interest.

The Secretary of State made no case for why he had decided to go beyond the limited equity stake that was proposed, not without controversy, by the last Labour Government. I wait with interest to hear the remarks of my right hon. Friend the Member for Wolverhampton South East (Mr McFadden), if he catches your eye, Mr Deputy Speaker. The Secretary of State made no case for the full privatisation of Royal Mail.

As the Secretary of State said, we recognise parts of the Bill from our own legislation, and we broadly support parts of it, including employee share ownership. The possible mutualisation of the post office network deserves positive examination at the very least.

I have set out the changes that everyone agreed were needed, but in truth many people thought that Royal Mail could not change while it was a public company. However, change has happened. Considerable progress has been made, and more is under way. An important agreement was reached this March between the Communication Workers Union and Royal Mail supporting the £2 billion modernisation plan, £1.2 billion of which has now been spent. CWU members supported the agreement by a 2:1 majority.

Differences are being felt in operations. The opening hours of delivery offices have been extended and new generation letter-sorting machines have been installed. There are new machines so that mail is sorted for the exact route that postmen and women walk, and there is better equipment, including hand-held devices to track and record items of mail. Of course, the pace of change must be maintained, but in an industry dogged by difficult industrial relations, both the CWU and management should take credit for the start that has been made.

Our debates on Royal Mail have for some time been informed by the Richard Hooper reports of 2008 and 2010. Two years ago, Hooper's report called for two changes: the injection of private capital and, closely related to that, the involvement of private sector management. However, he rejected full privatisation, saying that that

"option would only be appropriate and feasible if modernisation had been completed."

His recent report also identified a need for private sector capital, but was markedly more confident about the quality of existing management and the capacity for change given the changes that had already taken place. The 2010 report states:

"The specific need for corporate experience is reduced today".

It used to be said that Royal Mail could not change without an injection of private investment and management, but change has been possible. The argument now seems to be that change is needed so that Royal Mail can be sold, but that is simply not true.

The House needs to ask what the real costs could be. The public are making a heavy investment in preparing the postal services offered by Royal Mail for sale, including through a £2 billion loan to fund the modernisation process. In addition, the subsidy for the post office network was already set to increase from £150 million to £180 million next year, and we heard today of a further investment in sub-post offices, to which I will return. The Bill also leaves the taxpayer assuming the huge liabilities of the pension fund while Royal Mail benefits from a reduced contribution.

That is a huge public investment in preparing Royal Mail for sale, yet the returns look pretty low—according to media speculation, the sale price will be around £700 million, meaning a one-off income of less than £1 billion in return for costs of many billions. The Secretary of State did not make clear the timing of the changes. I simply point out that if he goes early, he will probably get the lowest possible price, but the later he goes, the more essential it will be to complete the transformation of Royal Mail, because as he said, Royal Mail cannot simply stand still and mark time. There is no relationship between the change that is necessary and his desire to sell the whole of Royal Mail.

As the Government's own briefing makes clear, a fully efficient and competitive Royal Mail could generate a very significant return. Companies such as Deutsche Post in Germany achieve profit margins of 13% from their mail operations, even though they face greater end-to-end competition than Royal Mail does in the UK. There are similar profit margins in the postal services of Finland, Austria, France and other European countries. Some are private and some public. That shows what efficient companies can do. However, the Bill excludes the public from any gain from a transformed Royal Mail.

Richard Graham (Gloucester) (Con): Is the right hon. Gentleman aware how much investment the German post office has had in the past few years? I believe that the figure is £15 billion. Is he suggesting that the UK Government have £15 billion for such investment?

Mr Denham: Richard Hooper's point, which I do not fundamentally contest, is that additional access to capital is necessary, which may well need to be private capital, but that is not the same as making a case for the total privatisation of Royal Mail, which is what the Government are doing. Government Members need to defend that.

Mr Marcus Jones (Nuneaton) (Con): What share of Royal Mail does the right hon. Gentleman think should be sold?

Mr Denham: The previous Labour Government floated proposals for the sale of a minority stake. Given the changes that have taken place in Royal Mail, there may be ways of accessing private capital that do not depend on an equity stake. Some partnerships of that sort might well be highly desirable, but the question is whether anything the Secretary of State said made the case for a

total sale of the company. I listened to him very carefully, but I did not hear a single sentence that made a case for clause 1, which is the basis on which we oppose the Bill.

Mr Jim Cunningham: It does not take long for employees to sell their shares, so selling shares to employees would create another imbalance.

Mr Denham: I understand my hon. Friend's point, but the Opposition should explore positively, including in discussions with the unions, how employee share ownership might work. Models of trust-based employee share ownership would avoid the risks he describes. It would clearly be nonsense to provide shares to employees that could be sold on within a few months, which happened in many previous privatisations, to everyone's great regret. We should look at the conditions, but I agree that it would be a complete nonsense to create the conditions he describes.

Mr Cunningham: I remember the privatisation of Rolls-Royce. The employees were given shares, but rapidly sold them.

Mr Denham: Clearly, any measure that allowed that kind of swift onward sale, resulting essentially in 100% private ownership of Royal Mail, would explode the Government's rhetoric on the Bill. I can assure my hon. Friend that we will look at the proposals in great detail in Committee.

Dr John Pugh (Southport) (LD): The right hon. Gentleman makes a rational and intelligent case, but if the Bill proposed a majority stake for private finance—say 51 or 55%—would it be possible to protect the public interest?

Mr Denham: That is an important point. If the hon. Gentleman will forgive me, I will return in a moment to how majority sale or full sale would shift the balance of power against the public interest during the sales process.

Mr Jim Cunningham: Will my right hon. Friend give way?

Mr Denham: If my hon. Friend will forgive me, I will happily take another intervention from him when I come to my point on protecting the public interest during the sale.

I said that the Bill excludes the public from any potential long-term gain from a transformed Royal Mail, but in addition the benefits could go entirely to overseas interests. Frankly, I am surprised how sanguine the Secretary of State is at that prospect, because faced with the sale of Cadbury to Kraft, he said:

"It is particularly galling...that state-owned RBS should part fund this takeover when it is clearly not in the interests of the UK economy."

I must point out that the Secretary of State is today effectively using taxpayers' money to transfer the ownership of Royal Mail overseas.

There are good reasons to worry about the public interest during the sales process. On one side will be potential buyers, who will have every interest in lobbying for the maximum commercial freedom for the operation and for the minimum of social obligation. The other side—we might like to think this means the Secretary of State, but it means the Treasury—has an interest in gaining the highest price. Both sides, therefore, will argue to cut social obligation to a minimum. It is not difficult to anticipate the outcome of that situation. I suspect that one reason the Secretary of State was able to say so little on the long-term interest of Royal Mail in the post office network is precisely that he is caught uncomfortably in the vice between the Treasury and potential buyers.

Mr Weir: I am listening carefully to the right hon. Gentleman and agree with a lot of what he says. He mentioned the pressures of the sale. Has he seen the letter from the current chief executive officer of Royal Mail, who argues for loosening social obligations now? Is that an indication of how things will go?

Mr Denham: I have seen that letter, and I will refer to it a little later, if I may.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Is my right hon. Friend aware that in previous discussions about possible privatisations, no interest was expressed by any of the companies, either in the UK or abroad, in running mail services? Are we not likely to have a situation in which, basically, some equity finance company will borrow large amounts of money to buy Royal Mail and then load it up with masses of debt? There is no operator challenging Royal Mail's ability to deliver the services that it currently delivers.

Mr Denham: That is certainly a real risk, and my hon. Friend is absolutely right. I return to the point that I made earlier. If the Government are serious about rejecting potential purchasers who they think are wrong or who offer a poor price, the Government will have to deal with the problem of transforming Royal Mail in the meantime. They cannot let it simply stand still, given all the commercial pressures. My fear is that the Government will go to the wrong place, with an inappropriate sale at an inappropriate price, because of the figure that has been pencilled in—although it is hard to find it in the detail—in the comprehensive spending review, and that this would happen irrespective of the long-term interests of the public in this country.

That pressure to reduce the social obligations brings me to one of the central concerns regarding the public interest: the relationship between a privatised Royal Mail and the network of local post offices. We oppose the Bill in part because of its central aim, which is the sale of Royal Mail and the breaking of the key contractual link between Royal Mail and the post offices. There are around 11,500 post offices. The Royal Mail Group is required by licence to support 4,000 post offices. The managing director of Post Office Ltd told a parliamentary Committee that a commercially viable network would have only 4,000 offices.

The previous Labour Government made provision to keep a further 7,500 branches open. They are supported by an annual public subsidy of £150 million, which is due to rise to £180 million next year, and by business that is guaranteed to Royal Mail through the inter-business agreement. The Royal Mail business that is guaranteed by the IBA is crucial to the current viability of the post office network. Leaving aside the public subsidy, Royal

[Mr Denham]

Mail business generates 37% of the income of local post offices. However, the IBA could end immediately under this Bill when Royal Mail is sold. A privatised Royal Mail could simply take the work elsewhere. As Consumer Focus—the organisation that the Secretary of State wishes to silence—says in its briefings,

"following privatisation of Royal Mail, subsequent contracts would require a competitive tender process with no guarantee that Post Office Ltd would retain this contract".

The Bill provides no mechanism to ensure that the continued long-term use of the post office network is an integral part of Royal Mail. That would be a disaster for non-profitable post offices in rural and urban areas alike. The Bill could have defined post offices as access points for the universal postal service. Consumer Focus says that the Bill could have specified the number of post office branches to remain. However, the Bill does none of those things. That is a fatal flaw. The axe of uncertainty hangs over thousands of post offices, which puts a huge question mark over the interesting and attractive concept of a post office mutual, because mutuals can go out of business too if their income is taken away. Hooper concluded that the Post Office should remain publicly owned, saying:

"Given the social obligations of the Post Office, there is little prospect that the network will be sustained on a fully commercial basis."

However, a mutual is a commercial organisation, subject to commercial logic, and without guarantees of income, it will fail.

The Secretary of State spoke about an additional investment of, I think he said, £1.34 billion. I acknowledge that, although it would perhaps have been useful to have more detail. We will need to explore that figure in greater detail than we can this afternoon, as we have no detail now, although it is clearly a large amount. We will need to know the answer to a few obvious questions. Does that money come from the Department for Business, Innovation and Skills budget that was set out in the comprehensive spending review last week, or can it be found elsewhere in the CSR? Does the Secretary of State intend to continue the annual subsidy beyond the CSR? Is the making available of that money linked in any way to the participation of sub-post offices in the formation of a mutual, or will it go to every sub-post office, whether or not it wishes to take part in a mutual? Will the beneficiaries be only current post offices, or could the money be made available to new entrants and companies that wish to enter the market for providing local post offices for the first time?

The Secretary of State talked about building up the business that is done through the Post Office, which I welcome. Doing so would build on work done by my right hon. Friend the Member for Wolverhampton South East on post banking and other areas, but we need more detail. I acknowledge that the figure that the Secretary of State cited would be a very large investment, but we need to know much more about it, and I hope that we will learn more before the Bill goes into Committee. However, I return to the same, fundamental point. Investment in the network without the guarantees of future business simply sets the network up to fail and puts a question mark over the public value for money of the investment now being made. I worry that the proposed mutual may ultimately be seen as a cynical attempt to shift responsibility for future closures of post offices on to the shoulders of the mutual owners of the post office network.

Let me make a few other points. Despite what I have set out, the Bill makes it clear that many risks still lie with the public, in addition to those that I have listed. The Bill results in the nationalisation of risk and the privatisation of profit—a phrase that the Secretary of State may well remember from the recent past. Part 4 sets out the provisions for taxpayers to step in through administration if a privatised Royal Mail becomes insolvent. That is a necessary part of the Bill, given the coalition's intention to sell Royal Mail, but it should kill the idea that once Royal Mail is privatised, the taxpayer will no longer need to worry about or bear any expense for failure. Clauses 34, 35 and 43 create the possibility for the universal service obligation to be split between different operators and for there to be different levels of universal service obligation in different parts of the country. In turn, that makes it possible in practice for Royal Mail to be split up once in private ownership, creating the risk of a commercial dynamic that will make it difficult to maintain the same quality of postal services throughout the UK.

The other major issue of customer concern is the maintenance of the six-day universal service. The Bill gives Ofcom the power to make a universal service direction, and in principle this must include the current level of provision for collections and deliveries. However, the Secretary of State has given himself unilateral and unqualified discretion to remove services from Ofcom's direction if he takes the view that Ofcom's order is too extensive. Similarly, if Ofcom were minded to order a universal service provider to maintain the current post office network, the Secretary of State can overrule it. The Secretary of State has given himself the power to reduce services, but not to extend them. That tells us what he is thinking.

Finally, it is in all our interests to have a Post Office that operates as efficiently and cost-effectively as possible. We have recognised the need for private sector investment in the past, and it is likely that this will be needed in future. Now that there is less emphasis on changing the management, it seems that a wider range of approaches to engaging private capital can and should be explored, but I do not believe that the need for private capital justifies the privatisation that is proposed today.

It is also essential that the Government are clear about the future burden of regulation designed to allow competitors into the market. Many argue that that now imposes a real and unnecessary cost on Royal Mail. During its mandate, Postcomm chose to apply a challenging competitive regime to a near-monopoly organisation. Today, that regulatory regime applies to many parts of Royal Mail's activities that are open to intense competition. In some areas, Royal Mail is forced to carry mail on behalf of its competitors at well below cost price, and the market share taken by new entrants is certainly much larger than predicted. I know that the figures are contested, but Royal Mail told Postcomm in August that it was subsidising new players in the upstream market at a cost of £100 million a year. Does that regulatory regime make commercial or competitive sense any more?

Crucially, what guidance will Ministers give to Ofcom? Potential buyers will want to know that now. Without a guarantee of more commercial freedom where competition is already strong, Royal Mail will be much harder to sell. By the same token, however, greater commercial freedom for a publicly owned Royal Mail would enable it to generate a higher income. I hope that all Members on both sides of the House will agree that it would be completely unacceptable for Ministers or regulators to offer greater freedom to a privatised Royal Mail than they are prepared to offer a publicly owned Royal Mail.

If the House is being asked to choose between a privatised, foreign-owned Royal Mail and a publicly owned Royal Mail, it must do so on a fair and level playing field involving a publicly owned Royal Mail enjoying the same level of regulatory freedom, and the same financial freedom and ability to reduce outgoings that comes with the taxpayer assuming pension obligations. The transformation of that publicly owned Royal Mail must also be well under way, and it must be able to explore a wider range of ways of raising the private capital that it might need. I invite the House to oppose the Bill.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Many Members wish to speak, and I remind them that Mr Speaker has decided to impose a six-minute limit on Back-Bench speeches.

3.30 pm

Mr Brian Binley (Northampton South) (Con): The House needs to recognise that the Post Office is a bust flush—

Michael Connarty: Rubbish!

Mr Binley: It is absolutely bust! In fact, the previous Government recognised that and tried to enact a Bill, but they did not have the courage to carry it through. So we want no lessons from Labour Members. The Post Office is a bust flush. Its management needs rejuvenating, its work force are demoralised and its pension fund is in massive deficit. If that does not add up to a company that is totally off the rails, then I do not know what does. It would do the Opposition good to recognise that fact, rather than pontificating about a matter that they dared not deal with.

The Post Office faces a massive challenge. Volumes have declined enormously since 2005, and they are now down by 13 million units per day. Good God! If any other business faced that kind of decline, it would instantly recognise that it was bust; it would not need me to tell it. The Post Office is now 40% less efficient than its European competitors, and its modernisation programme is proceeding exceptionally slowly.

Mr Edward Leigh (Gainsborough) (Con): Does my hon. Friend agree that if I had been allowed to privatise the Post Office when I was the Minister with responsibility for it 17 years ago, we would now have a world-beating international company earning huge riches for this country? That was a wasted opportunity, and we must never fail again. We should privatise it as soon as possible.

Mr Binley: My hon. Friend was a wise prophet in a House that failed to listen to him, and that is a great pity. I accept his point totally.

The truth is that something needs to be done, and that was accepted by the previous Government. I first came across this matter when it was presented to the then Business, Enterprise and Regulatory Reform Select Committee in 2008. That Committee's report highlighted the importance of the organisation to our local communities. It recognised that the poor, the elderly and the disadvantaged relied heavily on the Post Office, but it was not only disadvantaged people who felt that way. Small and medium-sized businesses also felt that the Post Office played an important part in the way they ran their businesses. Research by Postcomm estimates that the social value of the post offices up and down the country runs to about £10 billion. The case for the network is clear, well made and, I believe, totally understood by the Opposition. Sadly, however, they ran away from the issue.

There is a great need to heighten, increase and force through technical development. Of course, that could not happen in the past. Hooper said that the Royal Mail needed to modernise, improve its management and expand its range of services. I believe that the Bill will achieve all those objectives.

The relationship between management and work force needs to be improved—and the problem is not all the fault of the unions by a long chalk. Previous management, I believe, acted in a bullying way that did nothing for good industrial relations—and I said so at the time, as did my colleagues on the Select Committee. This is one reason why I came to the conclusion that there was a massive need for a real injection of good-quality management into the Post Office.

Michael Connarty: I just wonder where the hon. Gentleman has been. I happen to be secretary of the communication workers group in this Parliament, although unlike my predecessor I have never been a communications worker. Massive changes to the agreement took place in March. Where else in Europe can we find a management that is willing to work with the trade unions? In all other places, they have banned trade unions from their premises. These firms are absolutely out of order in their treatment of their workers.

Mr Binley: I understand the hon. Gentleman's concerns. When I talked about senior management, I meant very senior management indeed. The lesson should go out to the whole House that bringing in from the private sector people who are sometimes seen as bully boys is not the best way to produce good industrial relations. That is, in fact, what happened. I see the hon. Gentleman nodding; I am glad he agrees with me.

Mr Jim Cunningham: I am sure that the hon. Gentleman will recall, as I do, that the previous chief executive of the Royal Mail was a very difficult man for Members to meet.

Mr Binley: I had the distinction—perhaps that is not the best word—of meeting the chief executive in question, and I read some of his letters to the work force. I have to say that if I had been a member of that work force, I would have been horrified to receive those letters. If they had been circulated in a company that I had

[Mr Binley]

anything to do with, I would have done my very best to bring the gentleman in question to book. I hope that my answer will enable the hon. Gentleman to understand that I too share his concerns.

We need a massive change in management. I believe that the Bill is designed to achieve that and might well succeed, but we still have not had the answers we need to provide any certitude in that direction. We are dealing with a pension deficit in the region of £10.4 billion. We have to find answers as to how best to deal with that, and I believe that the Bill finds those answers.

Finally—I know many Members wish to speak—I want to return to the question of management, which is central to the success of any measures put in place to save a broke and bust Post Office. I appeal to the Minister responsible for postal affairs to explain in more detail how his proposals will achieve that objective. The previous Government saw that as an important part of the process of rejuvenating the Post Office. That is why they introduced a Bill that would have meant a new injection of capital, with 30% ownership from the private sector. Sadly, that did not work. I do not believe that the previous Government worked hard enough to push it through. I understand why it did not work—because the Government did not have the courage to go further. No private company would seriously consider that small a holding for that big an investment. It was a very difficult proposition from the beginning.

The truth is that the success of the Post Office will revolve around better relationships with the workers, better modernisation and removing the great pension fund burden. I believe that all those things can happen under the Bill if—I say again, if—we get the correct level of quality management. Such management must recognise that the whole of the marketplace has moved so quickly that there are very many opportunities, but it will take creativity, courage and bravery on the part of that management to achieve the successes that the organisation can achieve. I ask the Minister to use a little of his time to explain to us how he will attract that quality management, which is so central to the success of the operation.

3.39 pm

Mr Nicholas Brown (Newcastle upon Tyne East) (Lab): It is a pleasure to follow the hon. Member for Northampton South (Mr Binley), and I strongly agree with what he had to say about the bully-boy school of management. The hon. Gentleman is committed to privatisation, as he made clear in responding to the intervention from his hon. Friend the Member for Gainsborough (Mr Leigh). However, although I listened carefully to the Secretary of State, I do not think that he made a case for selling Royal Mail.

My problem with the Bill is that it does not seem to be directed at the individual problems faced by Royal Mail. Indeed, I believe that in some ways it would make matters worse. Specifically, privatisation does not of itself deal with the problems identified in the Hooper report.

At the time of the Bill proposed by the last Labour Government, two arguments were advanced in favour of a private sector minority stake in Royal Mail. It was argued that Royal Mail needed private sector drivers, incentives, commercialisation and benchmarking—all the disciplines associated with private enterprise. It was said that they were necessary to drive forward the modernisation programme. At the same time and in the same context, it was argued that there was a need for the managerial expertise that could be found in the private sector, which prompted a question: if that managerial expertise was really needed, why could it not simply be hired?

The Government—correctly, in my opinion—have asked Richard Hooper to review his work. He has reported progress on the crucial modernisation issue, and has had reassuring things to say about managerial expertise. The key necessity is surely to drive the modernisation through, but that will not be easy, because mechanisation brings with it job losses and reorganised work arrangements.

The challenges are well understood. My right hon. Friend the Member for Southampton, Itchen (Mr Denham) listed some of them. Modern communications such as text, e-mail and mobile phones have led to a remorseless decline in the use of traditional postal services. That has been offset to some extent by the use of direct mail marketing and the growth of the parcel business, which is partly dependent on internet shopping—but the trend is clear, and change is therefore essential. I accept that the background of poor industrial relations makes the process harder, but in the circumstances it is surely right to support the progress that has already been made—and identified by Richard Hooper—and to find ways of reinforcing the work on the modernisation programme.

In any event, why do we need legislation to bring about privatisation? The Government have the power to sell shares now, although they are handicapped by the need to report the precise arrangements to the House and obtain our consent. The then Business and Enterprise Committee was very forceful on that point when it examined the Labour Government's proposals, and I am pretty certain that its members' views will not have changed.

The Bill also separates Royal Mail from the post office network, even more explicitly than is currently the case. That will not solve the problems faced by individual post offices, and it will open up new dangers. In short, the problems are insufficient turnover and a small margin on individual transactions through the outlets. It is reasonable to consider what other business could be put through traditional sub-post offices—that is not an original idea—but it will be difficult to provide services requiring a volume of users in smaller population catchment areas. The problem is usually discussed in terms of rural communities, but it affects inner-city and other urban communities as well. The Government should focus on that, rather than on separating Royal Mail from the post office network.

The burden of the universal service guarantee still rests effectively with Royal Mail, to the extent that it is effectively forced to subsidise its competitors in the parcel business, apparently—although I understand that the figures are a matter of dispute—to the tune of some 6.5p per item. That cannot be fair, and it is evidence of poor regulation.

I urge caution, although I am not opposed to the idea of share ownership. However, as my hon. Friend the Member for Coventry South (Mr Cunningham) pointed

out, when employee share ownership was introduced at Rolls-Royce and by the municipal bus companies, the employees took the shares and then sold them. What matters to employees is the wages, job security and pension arrangements; those are the crucial things for them.

Part 3 of the Bill deals with the regulator and reconfigures the existing arrangements. The relationship between Royal Mail and its regulator is poor. I have looked at the arrangements in the Bill, and this looks to me—I was wondering how I could explain this in summary to the House—like the Post Office version of the Independent Parliamentary Standards Authority, with the industry having to pay for the regulator, at costs set by the regulator.

Part 4 deals with what happens when everything goes wrong. I will urge the House to pass that part of the Bill if the rest of it is passed.

3.45 pm

Lorely Burt (Solihull) (LD): I welcome the Bill, which largely represents the policy that the Liberal Democrats went into the general election with. There are differences. Under our policy, the Government would have retained a stake, but we understand the problem of making this a very attractive sale, so that part of it has gone. Under our policy, share ownership for employees would have been larger, but the measure still represents the largest share ownership ever on record, so we can live with that. Another difference is the potential to mutualise the Post Office. That is right up our street as Liberal Democrats; it is Liberal Democrat-plus, so we welcome that.

We have strongly maintained that the Post Office should never be sold and we hope that, under the new proposals, it will become stronger, thrive and even grow. The £1.34 billion announced today is extremely welcome.

Sarah Newton (Truro and Falmouth) (Con): On that point, I echo the warm welcome that my hon. Friend has given to the Bill. In the remote rural part of the world that I represent, the postal network is the lifeblood of the community. Opposition Members' response is really disappointing. They should be welcoming the commitment to no further network closures and the massive investment that will enable those post offices to come up with new services, such as financial service products for people on a low income who do not have ready access to banking—

Madam Deputy Speaker (Dawn Primarolo): Order. This is not a speech; this is an intervention. It is supposed to be brief.

Lorely Burt: I wholeheartedly endorse the comments of my hon. Friend.

We know that mutualisation of the Post Office cannot occur straightaway, so I wonder whether my right hon. Friend the Secretary of State could indicate what conditions need to be in place before mutualisation can take place. In his aptly titled report, "Modernise or decline", Hooper strongly recommended private sector involvement in Royal Mail and that the Government should relieve Royal Mail of the burden of its pension scheme.

Michael Connarty: The hon. Lady is moving on from mutualisation of the post office network. I thought she might ask the Minister where the guarantees will be when the Post Office is mutualised or split off. I believe that we have to put in £270 million at the moment to keep the network alive. I can see no guarantee under the Bill that the Post Office will be supported. How could mutuals find that £270 million to keep the network intact?

Lorely Burt: We have already had the announcements of the Secretary of State, which have covered the point that the hon. Gentleman has made. The Secretary of State might wish to address that point in his summing up.

Mark Hendrick: Will the hon. Lady give way?

Lorely Burt: I cannot take any more interventions. I am sorry.

The point is that 90% of Royal Mail will become a private company. That necessitates close scrutiny to ensure that Royal Mail employees and customers and the taxpayer are protected.

Consumer Focus wants changes that protect consumers to be added to the Bill. It believes that Ofcom "must" impose a consumer protection condition on every postal operator—rather than "may", which is the term currently used in the Bill. Please can we have "must" instead of "may"? Can we also add the requirement that Ofcom must impose the essential condition that every postal operator must guarantee the confidentiality, safety and security of mail?

I know that Opposition Members are concerned that the Bill's provisions may be detrimental to customers in rural areas. Can we therefore insert into the Bill a definition of the minimum number of access points to the mail system—post offices and post boxes—and the criteria for geographic distribution, together with criteria under which exceptions could be sought? Can we also add a requirement on Ofcom to consult representatives of residential and small and medium-sized enterprise customers, and other particularly vulnerable customers, when conducting any review of the universal postal services order? SMEs often get left off the list, but it is important that they are consulted as well.

Customers need proper protections when things go wrong. Can we build into the Bill a requirement for postal operators to be members of an approved redress scheme to ensure complaints-handling standards can be monitored and independently investigated? Finally on the consumer front, can we build in a requirement that postal operators continue to provide appropriate information to the regulator and an appropriate consumer watchdog in order to enable independent monitoring of performance, quality of service, complaint handling and services provided to vulnerable consumers?

I want to make a few comments about the separation of Royal Mail and the Post Office. Key provisions in the Bill allow for the privatisation of Royal Mail and the formal separation of Royal Mail and the Post Office. Formal separation offers considerable advantages for the Post Office. For example, it would be managed by a board that could be more closely aligned to its own strategic objectives, and would no longer be a junior partner in group decision making. However, the Government have announced that they will seek a refreshed

[Lorely Burt]

inter-business agreement between Royal Mail and the Post Office. Will subsequent contracts be subjected to a competitive tender process given that, as Opposition Members have pointed out, there would be no guarantees that the Post Office would retain its mail contract thereafter? I fully accept that there may be arguments against seeking to maintain the contractual relationship between the Post Office and Royal Mail in perpetuity as we cannot reasonably assume that consumer need will necessitate upholding the current access arrangements indefinitely. I also understand why, in light of future uncertainties, the Bill must not be too prescriptive, but might it include provision for the Secretary of State to seek a review of the access criteria at a future date, subject to parliamentary approval?

On the division of assets between the Post Office and Royal Mail, the Bill allows for the transfer of property or other assets between parts of Royal Mail Holdings plc. These provisions allow property transfers to be made directly by the Secretary of State or the holdings company. My worry is that the Post Office has frequently taken a minor role compared to Royal Mail, so when negotiating the property transfers, we need to ensure that the greater weight of Royal Mail is not used unfairly. Therefore, can the Government take steps now, in advance of measures contained in the Bill and the separation of the holdings company taking effect, to maintain the Post Office's current assets?

Finally, there is speculation about who might buy Royal Mail. All the protections I have mentioned must be in place, but I would like whoever the purchaser might be to be given the best possible chance to make Royal Mail a world-beating postal service.

Jack Dromey (Birmingham, Erdington) (Lab): Will the hon. Lady give way?

Lorely Burt: No, sorry.

Royal Mail is currently hamstrung by regulations that make it uncompetitive against outside competitors, so can we examine those seriously? We want to make Royal Mail a much more attractive proposition for a prospective purchaser and ensure that the staff and new management, together, can make it the full and profitable service that it deserves to be.

3.55 pm

Kate Hoey (Vauxhall) (Lab): I feel like saying, "Here we go again", because in my time in Parliament we have been through three different attempts to privatise Royal Mail in some form or other. All three attempts have failed, and I think that we will decide not to get this one through. I am convinced that the public, whatever their attitudes and their knowledge of what is going wrong on some of the issues relating to Royal Mail, do not want a fully privatised Royal Mail or, indeed, a partly privatised one. It is a pity that the previous Government's approach—my Government—almost left it open, as many Labour Members said, for another Government to carry on and go much further. So I feel a kind of déjà vu here.

The bit of the Bill that I really welcome is the lifting of the pension fund burden, but that can be done anyway—it should have been done by the previous Government. We did not need to go through all this time, effort and waste of money on consultants to know that the Royal Mail was in a bad state. Part of that was because of the pension fund deficit. Whose problem was that? It was certainly not that of the men and women who deliver our post or the members of the Communication Workers Union; it was, purely and simply, that of Governments of all complexions, who allowed the pension holiday to be taken.

A lot has been said about modernising, but the thing that made such a difference to why the Royal Mail started to decline in many people's view was that for some years it had shockingly bad management. All they seemed to want to do was pay themselves grotesque salaries at the top, while the limited investment that was being made was not put into the modernisation that should have taken place. The position is slightly changed now, because the new management at Royal Mail are a different kind of management. I am not saying that they are absolutely perfect; I was very disappointed in the letter that was sent out, to which reference has been made, concerning the question of wanting to free up some of the universal service points. That is worrying, but recently there has been a real improvement in relations between the management and the CWU.

A lot of the modernisation has gone ahead: new machinery and technology has been introduced, aligned with the new six-day standardised work plan; delivery methods have improved; and the equipment and the ways of working have changed. We have to examine mail and distribution centre rationalisation but, as I said in an intervention, closing the Vauxhall Nine Elms facility would be crazy, because it would involve huge additional costs of moving post out of London in lorries and vans. I hope that there is still room for discussion on that and that we will be able to prevent it from happening.

What I am trying to say is that change is taking place and there is a changed attitude. Therefore, there is now no reason why the new Government, with the right support from those on the Opposition Benches, could not create a Royal Mail, minus its pension deficit, that has the kind of support that will give it sustainability and allow it to compete with anyone else in the world. The Bill, as it stands, contains so few safeguards. How sad it is that we could end up with our famous, wonderful Royal Mail, which has had so many loyal workers over many years, is a lifeline to people in rural communities and is seen by many people living in isolated communities as the one bit of contact that they have—in the form of their postman or postwoman—end up in the hands of a foreign owner. It is not just that that ownership is foreign. They will hand our precious asset over, out of the public sector, and for what? I saw no argument for it. There is no argument.

The changes are already happening; we have a work force who realise that things need to change and they are changing. I cannot believe that some of the Liberal Democrats are going along with this, although I accept that they want to see the support for the post offices. I welcome again that support for those post offices, but it is a separate issue that should be happening anyway. I urge my party not only to oppose the Bill, which we are, but to say that we were wrong to move for semi-privatisation, because it has allowed us to go this way and has allowed the Government to pick up from where we left off.

The Communication Workers Union is signed up to all the modernisation, but we do not want to see a service that is stripped back to the minimum, getting rid of the second deliveries and a number of such issues, as well as posing an overall threat to the universal service obligation. The public do not want this and they will not let it happen. The coalition Government are taking on public opinion at their peril.

4.1 pm

Jonathan Lord (Woking) (Con): I had hoped to make my maiden speech last Friday on my private Member's Bill, to pay homage in some small way to the great lady, the former Member for Finchley, who famously made her maiden speech on Second Reading of her successful private Member's Bill. I am grateful to colleagues on both sides of the House for giving it its Second Reading without objection, and I am happy today to support the Second Reading of this Bill.

Let me begin by thanking my predecessor, Humfrey Malins, for his long record of service to his constituents and to this House. He was an extremely assiduous constituency MP for Croydon, North-West and then for Woking. He was listened to with great interest in this House, particularly on home affairs, on which he spoke with the legal experience of a solicitor, a district judge and a Crown recorder. He was a shadow Minister for immigration and asylum for five years, and I believe that it is typical of the man that when he lost his seat in Croydon in the general election of 1992, he immediately set about founding the Immigration Advisory Service, which to this day provides free legal advice on matters of asylum and immigration. In 1997, he was re-elected to Parliament as the MP for Woking and received a CBE for his services to immigration policy.

Humfrey was extremely well liked by his constituents and, I believe, by Members on both sides of the House. He remains a great lover of sport. Having played against the All Blacks in his youth, he went on to found and captain the parliamentary rugby union team and later captained the parliamentary golf society. There are many fine golf courses in the constituency of Woking, and I hope that Humfrey keeps up his many friendships in our town and in our villages by playing them as often as possible.

My constituency of Woking has an ancient past but a passion to succeed in the present. Although it boasts the ruins of Woking palace, which was one of Henry VIII's favourite hunting lodges, it came into being as a modern town by Act of Parliament. In the 1840s, London's churchyards were running out of burial space, so the Metropolitan Interments Act 1850 forbade any further burials in London and encouraged the building of cemeteries outside the city. A further Act of Parliament in 1852 set up the London Necropolis Company, which went on to purchase 2,000 acres of land at Brookwood in Woking.

Brookwood cemetery remains a beautiful and tranquil place, a place of truly national significance and importance. I believe that it is worthy of more support both locally and nationally. One of those interred there was Dr Gottlieb Wilhelm Leitner, an oriental scholar who was reputedly fluent in 50 languages. In 1889, he founded the Woking Shah Jahan mosque, which was the first purpose-built mosque in western Europe. For many years, it was the focus of the development of Islam in this country. I celebrate the fact that Woking has its first Asian mayor, Councillor Mohammed Iqbal. I pledged with him to serve the residents of our borough, and in particular our British Muslim population. It is worth noting that Dr Leitner, the founder of the first mosque in England, was Jewish. That is an interesting and wonderful thing that we should bear in mind as we seek peace and reconciliation in the world.

H. G. Wells was another famous citizen of Woking. On one of my first home surgery visits, I visited a modest, semi-detached villa in the heart of Woking, only to be told that it was the very house where H. G. Wells had penned "The War of the Worlds", which envisaged Martians landing on beautiful Horsell common and laying waste to the whole of Woking and, indeed, vast swathes of southern England. We now celebrate H. G. Wells's imagination with a large, modern, Martian tripod sculpture in the centre of our town.

While we are proud of our Victorian, literary and cultural heritage, we also look forward to the future. Woking borough council is innovative and has an acknowledged national reputation for leading on green issues and renewable energy. Our businesses strive to succeed—none more so than McLaren, which, building on its success in Formula 1, is now an even larger enterprise that is going to build a sports car for the road. I would very much like to own one of McLaren's new sports cars, but unfortunately my parliamentary salary and my wife forbid it.

Woking has a vast panoply of charitable organisations, all of which are willing to make the big society a success. It is a great honour to represent Woking in Parliament, and I hope to do so for many years to come—

Madam Deputy Speaker (Dawn Primarolo): Order. I am sorry, but the hon. Member's time is up.

4.7 pm

Mr Mike Weir (Angus) (SNP): I congratulate the hon. Member for Woking (Jonathan Lord) on making his maiden speech. I have been to Woking only once, and he missed out its most-famous citizen—the great Paul Weller.

Turning to the matter at hand, although our amendment was not selected, it sets out the feeling of the Scottish National party, Plaid Cymru and all the parties from Northern Ireland, including the Democratic Unionist party; although DUP Members did not sign the amendment, they support its aims. We fear for the future of the universal service obligation if the Post Office is privatised.

I contributed submissions to Richard Hooper's original work. I agreed with much of what he said in the end, but I strongly opposed the part-privatisation proposed by the previous Government and absolutely oppose the full privatisation proposed by this Government. Today, the Business Secretary argued that regulation will protect the universal service guarantee and that there is therefore no need to maintain Royal Mail as a public company, but it is inevitable that the pressures from a fully private company will lead to a reduction in the universal service.

Over the summer, the Business Secretary appeared to recognise that the current six days a week pick up and delivery service may not survive and suggested that a

[Mr Mike Weir]

five days a week service might be sufficient. That accords with the current definition of the universal service, which does not include Saturday deliveries, so the Government already envisage the service declining. That position was justified on the grounds that it would not discriminate against any area, since it would be the same service whether someone resides in Kensington or Kyleakin. However, that is not quite the case. If I reside or run a business in Kensington, I am sure that there are a number of different services to which I can turn, but it is somewhat different in rural areas of Scotland where Royal Mail is the only service that will pick up and deliver mail. That vital point must be borne in mind when we consider the Bill's proposals.

We are dealing not only with residential customers but with business customers, many of whom, in more rural and remote areas, rely absolutely on Royal Mail, which is the only carrier that is obliged and able to deliver a service to them. Does anyone really believe that that will continue in a fully privatised environment? How long will it be before a private owner such as TNT or Deutsche Post argues that it is at a competitive disadvantage because it is the only company required to offer a universal service? How long will it be before it wants the agreement to be watered down or requires public subsidy to enable it to continue?

Such an outcome would be a disaster for rural business. Only this week, the Government talked about the need to increase broadband access in rural areas. All too often Royal Mail is considered old-fashioned—it is seen as Postman Pat and his black and white cat touring Greendale as opposed to the brave new world of broadband. Although broadband is important in rural areas, which would benefit enormously from faster access, one cannot send goods down a telephone line or a fibre optic cable. Unless some entrepreneur in this brave new world comes up with Star Trek transporters, we will still require a physical delivery service to go up and down dale and glen to pick up and deliver physical objects. At the moment, the only company that will guarantee to do that is Royal Mail. We have to take that on board and do nothing that will undermine the service if we are to encourage the regeneration of our rural areas and create jobs in the new green economy.

I appreciate that many Government Members firmly believe in the overriding primacy of private enterprise, but even private enterprise sometimes needs public help. I was intrigued by the Prime Minister's speech to the CBI earlier this week in which he said that

"business confidence doesn't just come from financial and human assets. It comes from physical assets too—from our infrastructure."

I do not often agree with the Prime Minister, but I think that is absolutely correct. He recognises the need for substantial public investment in the infrastructure needed to help businesses develop. Infrastructure is not just roads, railways and broadband—it is also investment in existing systems that provide a backbone for many businesses. Infrastructure assets such as Royal Mail provide new entrepreneurial businesses in many of our rural areas with an essential service that enables them to operate, grow and create jobs. They do that in many areas that are about to be hit very hard by the reduction in public sector employment.

I am interested in the fascinating myth-busters leaflet published by the Department for Business, Innovation and Skills.

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): It is good.

Mr Weir: Indeed. Let me quote one of the myths in the leaflet:

"Growth in parcels from online shopping will outweigh falls in letter volumes".

The response states:

"The parcels market is much smaller than the letters market and has been fully liberalised since 1981, making it highly competitive."

It might be highly competitive, but many carriers will not deliver to remote and rural areas, particularly to Scottish islands, except at immense cost. There is a real danger in going down the route of privatising postal services.

Mr Alan Reid (Argyll and Bute) (LD): The Bill mentions, in clause 30:

"At least one delivery of letters every Monday to Saturday…to the home or premises of every individual…in the United Kingdom"

at a uniform price. What better guarantee than that does the hon. Gentleman want?

Mr Weir: I remind the hon. Gentleman that in the summer his Business Secretary said that the service might go down to five days a week, so he recognises that it might be reduced. He also said that European regulations rightly ask only for a five day a week service. Any privatised service will inevitably want to cut costs and there will be pressure on the Government to allow that.

Several hon. Members *rose*—

Mr Weir: I shall not give way again; time is getting on.

I pointed out in an intervention that the chief executive officer of Royal Mail is calling for an overhaul of the regulatory regime, including the ability to price products freely, to put limitations on the products covered by the universal service obligation and for the USO fully to cover its costs—the cost of delivering a letter to the islands of Scotland is about £30 not 30p—and for restrictions on access to the Royal Mail network by competitors. If a privately owned Royal Mail goes down that route, the pressure on the Government and regulators could be immense and could mean a substantial rise in postal costs to rural areas. It would be the ultimate irony if the Bill meant that a privatised Royal Mail was given an ability to compete against other privatised companies that it was denied when it was a public body.

I should like to say more about post offices—*[Interruption.]* I would take another intervention if it gave me two more minutes. The Business Secretary failed to explain how mutualisation would work. He failed to say how a post office that has moved into a branch of WH Smith, as many have, will form part of a mutual. How will individually owned—

Madam Deputy Speaker (Dawn Primarolo): Order. Time is up. *[Interruption.]* Will the hon. Gentleman resume his seat? I ask Members to stick to six minutes.

Interventions with four seconds to go can give more time, as has just happened, and the hon. Gentleman benefited from that.

4.16 pm

Dr John Pugh (Southport) (LD): The powers that be in the Whips Office approached me last week to ask whether I would like to speak on the Bill, and then a few days afterwards they asked which side I intended to speak on. I reassure them that I shall speak largely for the Bill.

The Government are to be congratulated on introducing a Bill on postal reform. I accept that stagnation is not an option. The pension deficit is crippling. The regulatory environment is crazy, as many Members have established. The communications market is changing dramatically, and the work force are confused and demoralised.

The last time I spoke on postal services in this place, I did so on behalf of employees in my constituency who were locked in battle with the local management. I must admit that like other Members I did not find the Crozier-led management easy to deal with. Nor did I find the union especially helpful, although I have a generally high opinion of the Communication Workers Union and of Billy Hayes in particular. The battle was over an astonishingly high rate of dismissals and disciplinary actions taken against a work force who are neither work-shy nor particularly militant.

A pattern of petty penalisation and unreasonable demands had emerged, and it needed to be dealt with. Otherwise decent staff were being punished for not fulfilling unreasonable schedules, or for simple lapses of concentration, such as not wearing their cycle helmet at the right time in the right place, or for not following procedures with absolute accuracy. In some cases, that became the basis for dismissal, and bit by bit, long-term staff were replaced by casuals. I came to the conclusion that the management wept no tears at all about that, and that the dismissal of long-term, high-pension staff was in fact relatively welcome.

I came to the conclusion that unreasonable schedules were being set—almost wilfully—because Royal Mail believed that the only way it could compete was to ask staff not only to go the extra mile, but to go another and then another. I draw no comfort from the current agreement whereby Royal Mail is to beef up massively the junk mail element in every postbag. A business that plans to survive by giving its customers more of what they do not want does not seem to have much future. That is why something has to change, and there is a lot in the Bill we should welcome.

We need to do something about the insanity of postal regulation. For years, Postcomm has forced Royal Mail to upstream and downstream prices to subsidise its competitors. The line is, "Let the poor old Royal Mail struggle with the long paths, the dogs, the gates that fall off their hinges, the flats with no visible means of access and the long country roads." While Royal Mail does that, the private market looks at what is actually profitable.

Payment for the final mile has been derisory, and as the hon. Member for Vauxhall (Kate Hoey) would point out, it is due to the bloodless application of EU law and directive that has done untold damage to the postal system of the UK. I do not want to go into the rationale for that; suffice it to say that as a consequence of the single market agreement that Mrs Thatcher introduced—or got Parliament to agree to—we are stuck with it. But as far as I can see from the Bill, we are not stuck with Postcomm. That is a significant improvement. I welcome, too, the emphasis on employee share ownership.

Jack Dromey: Does the hon. Gentleman share my concern that there is nothing in the Bill that would prevent ownership passing to private equity, perhaps aided by the hedge funds, and a takeover not in the national interest, including potentially by foreign ownership?

Dr Pugh: The hon. Gentleman is assuming that the Bill is totally finished business. If he has amendments that he feels ought to be tabled and that ought to impress the Minister, I am sure he will have the opportunity to do so.

Not only is employee ownership part of Lib Dem policy, but it is a long-standing part of Liberal policy before that, as many of my hon. Friends will recognise, and it was backed by candidates in the recent Labour leadership elections. It is good to see employee ownership in the Bill. It is 10%, but it is there.

I welcome the central place in the Bill given to retaining the universal service obligation and the measures taken to secure it. We all hope that they will be good enough.

I welcome the plans for the Post Office, but with some caveats. It is a huge franchise and it still has huge potential, but it remains the case that there is virtually nothing that it now does which cannot be done in some other way. Its viability depends on elderly customers preferring to do things in a traditional way, via paper transactions. It needs more than the good wishes of the House, the occasional subsidy and a more modern and diverse facade. It is a very distinctive type of franchise, unparalleled in any other European country, and it needs a distinctive role.

That can only be through an enduring link with the Government or with the community that post offices serve. It is not clear to me yet what long-term role the Government or the community wants the Post Office to discharge. My fear is that if central Government, local government and the community cannot identify that role, the franchise will lose its universal service provider status and part of its raison d'être. The Government need to work out what they want a sustainable post office network to do. We cannot have, as we have had in the past, some Departments promoting it and others, such as the Department for Work and Pensions, effectively sabotaging it.

I fear there is also an element of backdoor sabotage. I have had difficulty in my constituency, where sub-postmasters have tried to sell franchises to somebody else and have encountered untold difficulties in seeking to do that and prohibitive prices presented to buyers.

The fundamental issue that we are facing is privatisation. Some people approach the subject with a presumption against privatisation, and some have a presumption in favour of privatisation. I guess most of us are fairly pragmatic about it, but do we accept that the safeguards of the universal service obligation are robust? If we accept that there is an argument for the Government to absorb the pension deficit, and if we accept that the

[Dr Pugh]

business will go better with sane regulation and employee involvement, the big question is why not retain the business in public ownership. That is the issue on which we will torture ourselves over the next few days. We hope that we will have from the Minister an exhibition of evidence-led policy where the balance of argument prevails, not the balance of numbers.

4.23 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I start with a declaration of interest. I am a Labour and Co-operative Member of Parliament, with an 18-year involvement with the Co-operative movement prior to coming to the House. Since entering the House, I have at various times been chair of the employee share ownership group and the all-party building societies and financial mutuals group. Philosophically, there are considerable elements of the Bill that I instinctively support. The Government's recognition of the potential role of employee share ownership and mutuality in delivering postal services in this country is welcome. My regret, which forces me to oppose this Second Reading, is that the Bill's other parts will militate against the successful implementation of either employee share ownership or mutuality.

My experience within the movement has demonstrated a couple of things to me. We cannot legislate for mutuality. We can set up a framework of legislation in which mutuality can thrive, but we cannot look at a business and say, "We will make that a mutual." Mutuality and co-operation have to stem from the desire of those who work within an organisation to work in a certain way, driven by a certain culture. That culture may exist in Royal Mail and in the post office service, but the issue has not yet been determined.

I welcome the consultation on the Bill with the co-operative movement, but I did not feel too confident when the Secretary of State seemed not to know whether it had taken place with Co-operatives UK or with the Co-operative Group. The fact that he fails to understand the difference between the two does not exactly reassure me of a heavy commitment to that line of organisation.

As the hon. Member for Northampton South (Mr Binley) said, the previous Business, Innovation and Skills Committee examined the Royal Mail and the Post Office and made a range of recommendations, many of which the Minister alluded to, but many of which have not been implemented. That prompts the question that if their implementation is necessary to make the privatised model work, why have they not been implemented while the company has been in public ownership? Indeed, if they had been implemented, it might have made the private offer more acceptable. The Secretary of State did not sufficiently explain that situation.

My fundamental objection to the whole privatisation programme is that it basically instils a contradictory philosophy to that in the mutual and co-operative elements of the Bill. I have not seen it fully explained how the drive for shareholder appreciation and profit will be mitigated to allow for the regulatory and social obligations of the privatised Royal Mail. There has been a long debate about the universal service obligation, the six-day delivery and so on, and the fact remains that whoever buys Royal Mail in the long term will have to satisfy shareholders, but the potentially irreversible drive to make profit must call into question the regulatory framework that we have been assured will contain the privatised industry. That situation will have serious consequences for the post office service.

If the Royal Mail withdraws its current contract at some stage, or under some ownership or model, it could sound the death knell for hundreds, if not thousands, of post offices. Only 4,000 of the current 11,000 post offices are profitable. My right hon. Friend the Member for Southampton, Itchen (Mr Denham) said that mutuals can fail, and in this context there is a high possibility of failure.

Chris Evans (Islwyn) (Lab/Co-op): I hear what my hon. Friend says. Does he not agree that for a mutual to be successful, it needs to have a viable business plan, which the Bill does not include?

Mr Bailey: Exactly. That will be one of the determining factors in whether post office sub-postmasters and other employees want to work within a mutual framework. The fact remains that Royal Mail, driven by an imperative to make more profit, will be bound to re-examine some of its contracts with the Post Office, and there is no guarantee that they will be sustained. About a third of Post Office Ltd's total income is dependent on those contracts with Royal Mail, and that creates a degree of uncertainty and risk that could well work against those involved in the Post Office being prepared to accept a mutual organisation.

Damian Collins (Folkestone and Hythe) (Con): Listening to the hon. Gentleman's remarks, one might think that the post office network has gone through a halcyon period. What guarantees were there for the thousands of postmasters who saw their businesses close over the past few years?

Mr Bailey: I do not recall anybody saying that post offices had gone through a halcyon period, but under the last post office reorganisation many sub-postmasters applied for the compensation package that was agreed for them. I very much doubt that that would still be available under a revised and privatised process.

Jesse Norman (Hereford and South Herefordshire) (Con): The hon. Gentleman says that it is impossible to create mutuals from a transfer, but did not John Spedan Lewis create the John Lewis Partnership by transferring a business into an employee-owned trust? Is not that a great example of an existing business being transformed into a highly successful mutual, if not a co-operative?

Mr Bailey: Certainly John Lewis did that, but he did not just hand it over—there was a process by which he ascertained the willingness of others within the business to accept it. That situation has to be created. I could equally point to the situation in the '70s when co-operatives failed because they did not have that in place.

I oppose the Bill because it is fundamentally flawed. At the Lib Dem conference, the Secretary of State said, "Capitalism takes no prisoners," but since then he seems to have been on a private journey. That is demonstrated

by this Bill, in which he puts forward a solution based on a brand of capitalism that I would describe as cuddly capitalism, whereby shareholders will forgo their private profit in order to embrace a co-operative and mutual solution that mitigates the social impact of their drive for profits.

4.32 pm

Andrew Stephenson (Pendle) (Con): I welcome the Second Reading of the Bill and what the Secretary of State has said, which has helped to clear up a number of the points that I was going to raise.

I believe that now is the right time for a fresh debate about the future of Royal Mail, particularly the need for radical change in the way that postal services are regulated. There is an urgent need for a review of the regulations that are supposed to govern Royal Mail and the universal service but in reality prevent the company from operating in a truly competitive and open market. None of us doubts the immense service and commitment of the thousands of postmen and women and sub-postmasters across the country who work tirelessly to serve their community. I know of many in my own constituency who consistently go that extra mile not only to do their job but to serve their community in so many different ways. We owe it to these people to ensure that we get this Bill right and that that Royal Mail is given the opportunity to flourish in the future. That opportunity exists now, and we have the chance to do what the previous Government failed to do: to breathe fresh life into a national treasure that would otherwise be crushed by the weight of regulation, strangled by the noose of the historical pension deficit and starved by the absence of capital that is needed to continue the modernisation programme.

As a local MP, I know how important the universal service is; many other Members have touched on that. The one-price-goes-anywhere, six-days-a-week service to the UK's 28 million homes and businesses has been in place since Royal Mail was established, and it is highly valued by the public and by businesses large and small across the country. However, many at Royal Mail would say that that is now threatened because of the way in which regulation is strangling Royal Mail's ability to compete in the wider marketplace. It is also vital to note how important this service is to the men and women working in Royal Mail, who derive a great deal of job satisfaction from this part of their job.

As several hon. Members have pointed out, Royal Mail is in a precarious position: there is no hiding from the facts. Mail volumes are falling, the company has a multi-billion-pound pension deficit, and there is an urgent need for more capital to be injected into the company. I welcome the provisions in the Bill that will allow Royal Mail flexible and timely access to capital in future as it continues its modernisation to provide customers with the services they want.

That brings me to the major issue facing the Royal Mail, on which I wish to elaborate. The company is currently stifled by more regulation than its competitors, so the status quo is no longer an option. The biggest single threat to the universal service obligation, which is protected as part of the Bill, is the unfair regulatory framework in which the Royal Mail currently operates.

Deregulation of UK postal services is long overdue. I can think of no other market or industry in which a state-owned institution such as the Royal Mail is forced to offer its competitors a subsidised rate that does not even cover the cost of its business. As my hon. Friend the Member for Southport (Dr Pugh) pointed out, and as the right hon. Member for Southampton, Itchen (Mr Denham) said in his reply to the Secretary of State, Royal Mail's rivals currently have an in-built price advantage because of the arbitrary and unfair margin that the regulator sets between the price that Royal Mail can charge its own business customers and the price that it charges competitors for the use of its network.

I am sure that the original intention of the regulations on that matter was to help encourage new providers into the market, but it seems somewhat perverse that they now mean taxpayers and Royal Mail customers are effectively subsidising foreign competitors. Those access headroom regulations allow rivals to undercut Royal Mail, no matter how efficient its business becomes. In the interest of fairness, and so that Royal Mail can operate freely and competitively, they must surely be reviewed.

Fiona O'Donnell (East Lothian) (Lab): Would the hon. Gentleman like to consider the deregulation of bus services, which has not led to an increase in competition? In particular, services and competition in remote and rural areas have been reduced.

Andrew Stephenson: I thank the hon. Lady for that point. I believe that we need to get the right balance in regulation between protecting consumers and ensuring that we create a stable company. I therefore welcome most of the Bill's provisions, particularly on protecting the Royal Mail's universal service obligation.

We need to get regulation right, and I should like to ask the Secretary of State for any further assurances that he can give the House that the Bill will deliver the open, transparent, fair and competitive postal service market that is needed to allow the Royal Mail to prosper in future. I also ask Ministers to ensure that the Bill allows Royal Mail to introduce new products without always having to consult its rivals publicly for three months, as the current regulations require. That severely limits the company's ability to innovate and compete.

It seems to me that there should be regulation and price control only where there is little or no competition. Currently, 80% of the Royal Mail's revenues are covered by regulation, although rivals handle at least 40% of the mail, and 60% of bulk mail. Personally, I should like competitors to be given access to its network on commercial terms and at a commercial price, rather than the Royal Mail being forced to deliver its competitors' mail at a loss.

The Royal Mail and the Post Office are key national institutions, and we must ensure that they are both on a secure and stable footing. Securing the future of the post office network is absolutely vital to me. Pendle lost 17 sub-post offices under the last Government, including, most recently, six branches in 2008. Many parts of the country fared even worse than my constituency, with the number of post offices decreasing from 17,845 in 2000 to only 11,905 today. I welcome the fact that the Post Office is not for sale as part of the Bill, and that there will therefore be no further programme of closures.

[Andrew Stephenson]

That will come as a huge reassurance to numerous elderly and disabled residents in Pendle who rely on the local post office on a daily basis.

I was encouraged by what the Secretary of State had to say about investing in the network and exploring future business opportunities, and particularly by the £1.34 billion extra that he announced today. I welcome the Bill and fully support the moves that will help the Royal Mail to flourish in an open and competitive marketplace in future. I look forward to supporting the passage of the Bill, with the aim of delivering a strong and stable company for customers, the 155,000 employees, and potential future shareholders.

4.39 pm

Glenda Jackson (Hampstead and Kilburn) (Lab): Earlier today I passed a lobby outside the House, whose protagonists were carrying placards that bore two messages. The first was "Bash the bankers, not the pensioners", and the other was "Save our services". Indeed, there is a lobby of pensioners in the House even as we speak. The Secretary of State highlighted the fact that post offices are of particular importance to pensioners. However, I thought he rather narrowed the importance of post offices, certainly for my constituents, because post offices are vital not only to pensioners but to people with disabilities, the unemployed and young parents. One must give credit to the new coalition Government, because their record is 100% consistent: despite their pronouncements to the contrary, all their policies attack the most vulnerable and the poorest in our society.

There are no guarantees whatever in the Bill that post offices and sub-post offices will be maintained. It is easy to say that there will be no more post office closures—I am somewhat confused on whether that covers sub-post offices—but without cast-iron guarantees, my constituents will suffer inordinately. All of us who were here in the last Parliament and who are most grateful and humble for being returned remember our struggles to save our sub-post offices. That is certainly true of my constituency and throughout London. I lost four in the last round, and six in the two previous rounds. Such closures impact on more than the individual users of the sub-post office. London is essentially a sequence of small villages, and sub-post offices tend to be a major part of the smaller, local economies. People go to the post office and do a little bit of shopping in their local shops. Once the post office goes, those other shops lose out.

The Government are telling us that the retail sector will be the essential driving force of our growing economy, but if there are no guarantees that essential counter services will be maintained, the economic fallout could be greater.

Jesse Norman: As it is true that no Parliament can bind its successors, and as we have in legislation a clear statement that there will no further closures, could the hon. Lady specify what guarantees she is looking for that cannot be found in the Bill?

Glenda Jackson: With all due respect to the hon. Gentleman, his Secretary of State stood at the Dispatch Box and gave categorical assurances that his proposals will revitalise and re-energise our postal services. He assured us not only that our postal services will not be diminished, but that they will expand and grow, and become more inventive and entrepreneurial. There is an apparent guarantee that national delivery will be set in stone. I asked him how the Government could guarantee for perpetuity a privatisation of postal services without entrepreneurs, who apparently will come rushing in, but the hon. Member for Northampton South (Mr Binley) said that entrepreneurs would run a million miles away from putting money into the Post Office.

The Secretary of State made those guarantees and cast them in stone, so why can he not do that in respect of sub-post offices? I am perfectly prepared to accept changes to post offices up to a point, but all the sub-post offices I know are additions to retail outlets, not the primary source of business for the individuals running them.

The public still firmly believe, despite the vagaries—or worse than vagaries—of the changes to our postal service, that the Post Office is a public service. The people of this country take great pride in it and believe it to be central and essential to their way of life. It matters not how many times one points out to them the decline in the number of letters we write, as everybody would apparently sooner send an e-mail because that is easier. I can understand that, but I am certain that I am not the only Member of this House who despairs of the day when e-mails were invented, because of the time it takes to send and read them. And what do we get at the end of it? I shall not go down that road, but I can see by hon. Members' smiles that my experience is shared universally.

None the less, the public value and treasure the public service provided by post offices, and not only because, as for many of my constituents, it frequently used to be the case—this has improved slightly lately—that the only other human face that some people saw was that of the postman. In many instances, the only people whom they had conversations with were those they met in our sub-post offices. I have come across more than one example of a sub-postmaster missing seeing a particular pensioner over a comparatively short time span and alerting social services and the police because he was concerned that she might have had an accident or that something else might be wrong, and being proven right. Post offices do not simply offer a commercial service, whereby we can communicate with each other via the post; they offer a public service through which the public value each other and, in essence, take care of each other.

This Bill is yet another brick in the wall of what the Government are attempting to convince us will be their big society, if all these policies go through. However, it seems to me that what these policies will produce is the big broken society. If we lose the capacity to care for each other, what will be the point if we do manage to close the national deficit? It is the human beings of this country who are of primary importance. They are the ones who are going to get us out of this mess. Their feelings about public services are not limited to what the Government tell us are their priorities—the NHS and education. Rather, it is the public service in our postal services that they value. As others have said, there are aspects of the Bill to which one can give comparative support, but the Bill as a whole is an unmitigated mess.

4.46 pm

Chris White (Warwick and Leamington) (Con): Even after listening to the previous speaker, I think that we all share the same view, which is that we have to create a sustainable future for our post service, so that it can both serve our economy and continue to serve as a public good. We should all accept that Royal Mail has been lagging behind its competitors, and, with a potential reduction in the volume of letters of between 25 to 40% over the next five years, despite the use of e-mail and modern technology, we need to find ways to make Royal Mail change with the times. The injection of private capital will help to fund the necessary modernisation, which has already begun, but which needs to continue apace.

However, a more innovative way of achieving rising productivity—one put forward by the Bill—is by providing employees with shares in Royal Mail. Evidence has consistently shown that employees who feel a sense of ownership of a company have higher morale, and are likely to be more successful as a consequence, than those who do not feel that sense of ownership. The employee share scheme will give staff at Royal Mail a real stake in the future of their company and give employees a financial incentive to see improvements in the company and an even larger turnover. Given the clear benefit of that approach, my only regret is that the Government have not made the employee share scheme greater than 10%. However, given the financial constraints and the need to attract fresh investment into Royal Mail, I appreciate that doing so may not be practical. That said, I have some other concerns.

Chris Evans: Does the hon. Gentleman not think that the best thing would be to offer Royal Mail a mutualisation, as has happened with Post Office Ltd ?

Chris White: No, I think that the offer as it stands is sensible and practical, although as I have said, it would be better if the level was greater than 10%. However, as it stands, that is the only way that we are going to move forward.

I recognise that the injection of private capital has been sought in order to protect the universal service obligation, although I would like to use this opportunity to state how damaging it would be for communities and small businesses if Royal Mail dropped the USO. I understand that there are considerable costs involved. However, for many communities—particularly rural communities—and a vast number of small enterprises, Royal Mail is an important lifeline, with nearly 60% of small businesses wanting to continue to receive mail deliveries six days a week. Given that the small and medium-sized enterprise sector will play a large part in our economic recovery, we should avoid any changes to the USO that might damage growth or hamper development in that part of our economy.

The future of Royal Mail is not the only concern for communities and businesses, however. People also want a strong future for our post offices. In the past few years, post offices have closed in many communities, including my own, and those vital local amenities must be protected. If they are to survive, they must become more than simply a place for posting or holding letters.

The Post Office already needs a subsidy of around £80 million in order to carry out its functions, and this will increase if other income streams are not found. I believe that a Post Office bank offers a real solution and could provide a strong future for our post offices. About 25% of small businesses bank with the Post Office's financial services, and I am confident that more would do so if the limited number of transactions that they are able to make could be expanded. A survey by the Federation of Small Businesses showed that nearly 40% of its members were in favour of a Post Office bank and would bank with it. The present arrangements mean that 50% of the profits made on financial services provided by the Post Office leave the Post Office business, and that is simply not sustainable. Moreover, the joint venture with Bank of Ireland has not been able to deliver the basic, core banking products.

An independent Post Office bank would bring banking right back to the centre of our communities and help to revive trust between the public and the banking sector. A Post Office bank would help small business, and thus our economy, and it would provide those who have difficulty accessing the high street banks with an opportunity to get hold of basic financial services, helping the most vulnerable in our society. In many of the poorest areas, people have lost access to traditional forms of banking, and a Post Office bank would provide a trusted face and a chance for those communities to use the financial services that many of us take for granted.

Such a bank would not be unique to Britain. The French postal service launched its bank in January 2006, and, by 2007, it had 11 million postal banking accounts providing significant revenue. The Italian postal service, Poste Italiane, launched BancoPosta in 2000. By 2002, Poste Italiane had shown a net profit for the first time in 50 years. So it can be done; it is just a question of putting the framework in place to achieve it.

Mr Anderson: Will the hon. Gentleman give way?

Chris White: I am sorry, but I will continue if I may.

A good postal service and a strong network of post offices is not a luxury; it is a necessity, for economic and social reasons. We need to be innovative and bold, and we need to think about sustainability. I am confident that this legislation will move Royal Mail and our post offices in the right directions, and I look forward to supporting it in due course.

4.52 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): We have had many debates on post offices and Royal Mail in the House over the years, and we have often concentrated on the competition regime governing the different mail companies that are engaged in the delivery of mail. Less often, we have concentrated on the technological shift away from all mail companies to new technologies, including text messaging and the use of the internet and e-mail, to which my hon. Friend the Member for Hampstead and Kilburn (Glenda Jackson) has just referred. This is a fundamental shift, and it lies behind many of the problems that Royal Mail now faces. Perhaps it is natural to concentrate on the things that we believe we can change, but just because we cannot change that technological shift, it does not make it any less real or any less fundamental to the challenge being faced by our post offices and by Royal Mail itself.

[Mr Pat McFadden]

All this is not necessarily bad news for Royal Mail, because there is a growth in fulfilment mail, as it is called, as well as in internet shopping and in selling things through eBay. However, Royal Mail's business needs fundamental modernisation if we are to keep the universal service obligation and the six-day-a-week delivery service that lies at the foundation of our postal system.

There are some areas of the Bill with which I can agree. The Secretary of State attempted to say that it was much the same Bill as the one proposed by the previous Government, but it clearly is not. They have some areas in common, however. The Government taking on an historic pension deficit—and, indeed, the way in which they are taking it on—is something with which I can agree. The taking on of both the assets and the liabilities puts postal workers on the same basis as nurses, teachers and so forth. This method was attacked by the previous Conservative Opposition as a raid on the pension fund, but I am glad to say that, now they are in government, they have turned their backs on that position and adopted the method we proposed.

Similarly, when it comes to regulation, it is right to move from Postcomm to Ofcom and regulate mail services in the wider context of communications technologies. Regulation, however, is about more than the heading on the notepaper or the address of the building. It is also right to put at the heart of the regulatory system the maintenance of the universal service. This Bill, like Labour's Bill, has a reserved power for a levy to support universal service. In his report, Richard Hooper was sceptical about the need for this, seeing it perhaps as an excuse for modernisation not to proceed. We felt it was right to take such a power to ensure the maintenance of the universal service in the future.

So much for areas of agreement. The fundamental area of difference is on ownership. Clause 3 of Labour's Bill said:

"Each Royal Mail company must at all times be publicly owned."

Anyone wanting to see the difference between our proposals and this Bill need only scan the present Bill to try to find such a clause—they will not find it. That clause meant that any private investment had to be on a minority basis. The idea of having a minority stake was not particularly new; it had been floated as far back as 1998. Why keep a majority public stake? It gives the taxpayer an ongoing interest in the maintenance of the universal service obligation and an ongoing interest in the inter-business agreement, which is so essential to the post office network. Even more important than those two elements, however, it also gives the taxpayer an ongoing interest in the transformation of what is, after all, a public service. The taxpayer is taking on the historic pension deficit and the liabilities therein, so why should not the taxpayer share the upside of the modernisation that the Bill is designed to achieve? That explains the logic behind keeping a majority stake in taxpayers' hands.

All that has been cast aside by the Government. Our Bill was a proposal for partnership; this Bill is a proposal for privatisation. On employee shares, yes, we were in favour of that, too, but again, only in the context of a company that would remain majority-owned by the taxpayer. What guarantees are there for the universal service obligation, the inter-business agreement and the taxpayer sharing in the upswing envisaged by the Bill?

Finally, there is a lesson for Labour Members, too. My hon. Friend the Member for Vauxhall (Kate Hoey) said that we should not have introduced our Bill. I offer the opposite lesson, however, as the truth is that if we had managed to get our Bill through, we would have had a publicly owned Royal Mail and might not have had to face the measure before us. There is a fundamental difference between what we were proposing and what is before us today. That difference is a majority publicly owned Royal Mail—a difference, I suggest, that is worth having.

4.59 pm

Mr Alan Reid (Argyll and Bute) (LD): I represent a constituency with many small, remote communities, including many islands. Clearly, Royal Mail and the Post Office are vitally important to that constituency. I have to admit that when privatisation was first mooted, I certainly questioned it. However, I am now convinced that it is the only way forward because of the state of the finances of both Royal Mail and the Government more widely. Thus, private capital provides the only way of investing in the modern plant and machinery that Royal Mail so desperately needs. Given the huge mountain of debts that the previous Government left behind, there is simply no alternative.

Jim Shannon (Strangford) (DUP): One of the proposals involves the returned letter centre in Belfast, which employs 26 people. It is the most efficient returned letter centre in the United Kingdom, so the proposed changes cannot be to do with efficiency. As for savings, where are the savings in such a move?

Mr Reid: I am afraid that I do not know the details of what is happening to Royal Mail services in Belfast, so I shall have to pass on that, but the Minister has an hour and a half in which to find out the answer.

As I was saying, there simply is no alternative to private capital. Royal Mail is in a very difficult position. As other Members have pointed out, there is competition not just from other mail companies, but from other means of communication such as the internet and e-mail. As we heard from the right hon. Member for Wolverhampton South East (Mr McFadden), the former postal services Minister, the last Government concluded that private capital was required. There are clearly differences of opinion on whether there should still be a majority Government stake or whether the Government should have the power to sell off more than half the business, but I think that we should give the Government the power to sell off as much of the business as they consider necessary. We should bear in mind that the Bill does not mandate the full privatisation of Royal Mail, but merely gives the Government that power. I believe that we should give them the flexibility that they require in these difficult economic times.

Mr Anderson: Would the hon. Gentleman apply the same logic to other parts of the public sector such as the health service or defence? If the logic hangs together when applied to this service, why should it not do so when applied to those other services?

Mr Reid: Those are completely different examples. If the question arose in the hon. Gentleman's constituency of allocating public funds to a scanner for his local hospital, to the troops in Afghanistan or to a sorting machine for his local sorting office, I think a survey would establish that the scanner and better equipment for the troops in Afghanistan would rank high in the pecking order. Because Royal Mail is operating in a competitive market, it is important for it to secure private sector expertise. The health service is a national health service for the whole country, which is why it should be in the public sector.

It was the last Government who introduced competition to the mail business in their Postal Services Act 2000. However, the structure that they created allowed private companies to cherry-pick the most profitable parts of the business, while leaving Royal Mail to deal with the expensive part—delivering to remote parts of the country. Royal Mail is now suffering as a result of the unfair competition created by the last Government's regime, and I am pleased that the Bill will allow Ofcom to remove much of that unfair competition.

Under the last Government, all that we saw was worsening service. Opposition Members seem to have forgotten that. It was not the fault of the postal workers, but the fault of the competition regime that the Government had created. Mail is now delivered much later in the day than it used to be, Sunday collections have been abolished, and stamp prices rise every year by far more than the rate of inflation. Worst of all, thousands of post offices have closed. I was delighted by the announcement today of a vital £1.3 billion of new funds for the Post Office.

Chris Evans: Will the hon. Gentleman give way?

Mr Reid: No. I am afraid that I have already taken the two interventions that I am allowed.

The Post Office is extremely important, and it is also important for the whole Government to back it. Given that it has branches throughout the country, it is in an ideal position to deliver Government services. I hope that we shall not see from this Government some of the silo thinking that we saw from the last Government. I am thinking particularly of the Department for Work and Pensions. Owing to the way in which government is structured in Departments, there is often an incentive for silo thinking, and for looking only at an individual Department's budget and not the wider budget. I can understand the pressures on the DWP to cut costs and therefore perhaps to allow services such as the payment of pensions and benefits to go to a competitor that does not have as wide a network as Royal Mail and the Post Office, but I hope that those pressures will be resisted, that the whole Government will back the Post Office, and that in particular when considering the contract for the payment of benefit cheques, the DWP will continue to give it to the Post Office. Any other private sector competitor does not have the same widespread network.

The key test of whether I would support the Bill was always going to be, "Does it protect the universal service obligation?" The Bill clearly passes that test. I intervened on the hon. Member for Angus (Mr Weir), because he clearly had not read the Bill. I draw his attention to clause 28(1), which states:

"OFCOM must carry out their functions in relation to postal services in a way that they consider will secure the provision of a universal postal service".

and to subsection (2), which states:

"the power of OFCOM to impose access or other regulatory conditions is subject to the duty imposed by subsection (1)."

That is the USO.

Mr Weir: Will the hon. Gentleman give way?

Mr Reid: Very briefly, because I will not get an extra minute, as the hon. Gentleman did following my intervention on him.

Mr Weir: The point I was making is that we have a six-day service now, that the Bill guarantees only a five-day service and that the Business Secretary seemed to think that that was sufficient.

Mr Reid: The Bill requires

"At least one delivery of letters every Monday to Saturday

(a) to the home or premises of every individual or other person in the United Kingdom".

The hon. Gentleman is getting confused between the Bill and the European directive. The directive guarantees only five days. What the Secretary of State has been saying is that he already has the power under the European Communities Act 1972 to reduce the service to five days, by order, but he has no intention of using it because the Bill guarantees six days. I encourage the hon. Gentleman to read clause 30.

I am also delighted that clause 44 allows Ofcom to impose a duty on other mail operators to make a contribution towards the cost of the USO if that is necessary. I have been campaigning on that for many years. The previous Government resisted it and I am delighted that this Government have put that in the Bill.

I support the Bill and congratulate the Secretary of State on bringing it forward. I believe that it covers all angles and that it will deliver sustainable postal services in all parts of the country.

5.7 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): Reform of the UK's postal services was in the manifesto of both the Conservative party and the Liberal Democrats, so it should come as no surprise to anyone in the Chamber that we are considering this Bill so early into the coalition's temporary tenure on the Government Benches. What will be a surprise to voters is that, rather than merely allowing for an injection of private investment, the Bill paves the way for a complete sell-off of that vital public service. That goes way beyond what the Liberal Democrats were elected on; they proposed selling 49% to private investors, which is too high for my personal tastes, but at least not a dominant stake.

I have had a look through the Tory manifesto, which is imaginatively named "Invitation to Join the Government of Britain". I think that the public were led to believe that that was an invitation to them, but as it turned out it was just to a dozen or so Liberal Democrats. From glancing through that fascinating read, it appears that "the post" got lost in it. I see references to Ministers taking posts, to first past the post, and even to the "Post-Bureaucratic Age", whatever that is. What I do not see is a commitment to postal services, or a pledge to allow the complete sell-off of Royal Mail. Indeed, the majority of voters for both branches of the current Conservative party on the Government Benches do not

[Mrs Sharon Hodgson]

support the sell-off of Royal Mail. As both parties have already shown, however, pre-election promises and pledges are not worth the paper they are written on. Therefore, I am sure that their electorates will be getting used to being treated with contempt.

As the now Business Secretary once said about the last Labour Government's vital bail-out of the financial sector, this proposal looks like the Government are intending to privatise the profits of a public business and nationalise the losses. I know that many of his colleagues in the yellow branch of the Conservative Party agree with me on that. I am also concerned that once the Royal Mail is privatised it will be another institution that is deemed too big to fail. In the event of a potential investor running out of cash in what remains a fairly unstable worldwide economy, will the Government be forced to step back in and assume control of Royal Mail, thus soaking up a second tranche of liabilities? Of course, I am not saying that the Royal Mail should ever be allowed to fail, but the Government can guarantee that that never becomes an issue only by ensuring that a significant majority stake remains in public ownership.

On the separation of Royal Mail and the Post Office, there is no international precedent for separating a national main mail operator from its retail arm. Therefore, the Government are in effect taking a stab in the dark—the latest in what looks like a long line of gambles with the future of our country.

Clause 33 gives Ofcom the power to review the universal service obligation. In the event of complete privatisation, the large private company or consortium of companies would undoubtedly have a slick and well-funded lobbying operation, which they could deploy to press Ofcom to change the terms of the USO, potentially resulting in the loss of a delivery day.

Jim Shannon: Does the hon. Lady agree that our current six-day service, with the delivery tomorrow of first-class post that is posted today, might change under the new regime, meaning that on a cold, wet, windy day people in Kilmood, Cloughey or Buckna would not get their delivery?

Mrs Hodgson: I do agree. A lot of things that we now take for granted would be under threat, including that.

Several members of the new Government were fairly open prior to the election about their contempt for Ofcom. It is not for me to speculate as to why that might be, but it appeared to coincide with the acquisition by the Tories of a certain powerful new patron who shares that contempt. At any rate, the chances of No. 10 backing Ofcom on maintaining the six-day delivery week, or of even imploring Ofcom to maintain it, seem fairly slim. Can the Minister today give a guarantee to the House that Ofcom will not be leant on from any quarter—or, better still, will he undertake to remove the flexibility entirely at a later stage of the Bill's proceedings?

I realise that many other Members wish to speak, so I will limit the length of my remarks. The majority of Members recognise that reform of postal services is needed to secure the long-term future of Royal Mail and to maintain the universal service obligation, but the Government have no mandate to introduce the Bill as currently drafted. Allowing the sell-off of Royal Mail is not wanted by my constituents and nor is it wanted by many Members on both sides of the House or the wider public. It is certainly not wanted by the employees, even with the promise of bunging them a few shares as a sweetener. The only people who do want it are the potential investors and their friends on the Treasury Bench. The interests of this narrow constituency do not justify the Government's taking an ideological sledgehammer to a nut that does not necessarily need to be cracked.

5.13 pm

Richard Graham (Gloucester) (Con): I am conscious that we all come to this debate with our own scars of individual experience. Mine came in the ward of Kingsholm, a few hundred yards from where the Domesday Book was written, in my constituency of Gloucester. There, only two years ago, I watched my predecessor pose beside photographers while standing under a banner that proclaimed, "Save our post office", but then vote in this Chamber against a motion to halt post office closures. The hon. Member for Hampstead and Kilburn (Glenda Jackson) said that she was concerned about the prospect of a big broken society. What I saw that day in Kingsholm was the very model of a big broken Government.

I did not take up the position of secretary of the all-party group on post offices to sit in the Chamber and watch another programme of 5,000 post office closures be passed. I have always believed that the best way forward is through a combination of much greater investment in Royal Mail, which handles the sorting, delivery and collection, and greater commercial freedom for post offices, which are independent small businesses; they are franchises and they need to be able to channel more services to our communities over their counters.

Jesse Norman: Is it not fair to say that the Government are making an attempt in very good faith to reshape the commercial conditions of the Post Office, which includes the removal of the pension obligation, the creation of greater employee ownership and a liberalisation in the market? Is it not that combination that will give the Post Office potential to grow and thrive?

Richard Graham: My hon. Friend is absolutely right, and what he describes is precisely why he and I welcome what the Secretary of State said. I also pay tribute to the detailed work done by the Post Office Minister before this debate.

Interestingly, the right hon. Member for Southampton, Itchen (Mr Denham) called for a Postal Services Bill lite. It would be lite in every way when it comes to investment because by trying to insist on Government retention of a majority stake—precisely what the previous Labour Government proposed in their Bill, which they unfortunately failed to take forward—he is condemning Royal Mail to not being able to get that investment. No private investor would be able to match the sort of investment in Deutsche Post, to which I alluded, of £15 billion unless they had a controlling stake in the company.

As we have heard, the Bill makes it clear that the Hooper report's essential demand for greater investment and modernisation, despite the progress made in the modernisation agreement between Royal Mail and the Communication Workers Union, is vital to the future of

this great British asset. The Labour party has not left this Government the luxury of providing that investment themselves. We can provide it only by attracting it from the business sector.

Jake Berry (Rossendale and Darwen) (Con): Does my hon. Friend agree that the best way of bringing such investment into the company is this privatisation? Does he also agree that this may bring with it the rigours of the private sector in terms of efficiency?

Richard Graham: My hon. Friend makes a very good point, and I think that he, like me, would support the new chief executive of Royal Mail, who is taking steps in precisely the direction he describes.

My second point relates to the expansion of opportunities for our post offices, which hon. Members on both sides of the House agree are such a vital feature of our communities. The Bill paves the way for a much greater opportunity for post offices to be Government front offices, offering them as outlets for services for those in our communities, especially people who do not use the internet. That could include the certification of documents, hard copy form applications and access to all our banks, which I shall discuss in a moment. I very much look forward to the newly formed Gloucestershire Credit Union's services being available to the poorest and most vulnerable in Gloucester through our post offices.

There is still work to be done by all parties involved, and I wish to make several specific recommendations. First, the Government should be able to confirm as soon as possible that the Department for Work and Pensions will renew the green giro service or the access to benefits in our post offices for communities. Secondly, Ofcom should agree a significant increase in the current 12p to 14p pricing of the final mile of delivery, which has been under-charged for too long. Thirdly, Royal Mail should confirm its own support—I hope that this will also have Government support—for a new 10-year contract for the inter-business agreement with Post Office Ltd. Fourthly, Post Office Ltd should come up with detailed plans for its own mutualisation. Fifthly, large banks, especially those that are partly or significantly nationalised, should confirm that post offices will be able to access all their services over the counter. Lastly, it will be incumbent on all of us in our constituencies to ensure that we give maximum support to our post offices.

There is one last point to make. We know that only a third of post offices are profitable and that more than 6,000 are not making profits. Of course, the Government's one-off injection of £1.34 billion will help enormously and we should all be very grateful for that, but none the less these are small businesses. If a sub-postmaster decides to retire or to give up the business, this Government and this Bill can offer no guarantee that the post office will stay open. What they can do is provide a guarantee that there will be no further Government-driven programme of post office closures. It will then be incumbent on us all to try to ensure that the post offices are attractive enough to have a wave of new applicants.

I hope that I have shown where I believe there is work still to be done by all parties involved and also that this Bill offers a real way forward to respond to the three things that we all support: a flourishing collection, sorting and delivery service by Royal Mail; the universal delivery; and thriving community post offices. That is what we want to achieve, that is what the Bill offers and that is why I shall support it. There should never again be the shambles of the Kingsholm post office scenario.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. May I gently remind hon. Members that there are still 16 Members who would like to speak in the debate and that interventions lengthen speeches? So that hon. Members can help each other out, I would be very grateful if they kept an eye on the clock. If they can speak for less than six minutes, that will help enormously.

5.21 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I want to pose questions to the Government and to make some points, several of which have already been made, based not only on the general public's fear of what postal privatisation might mean for Royal Mail, but on why previous privatisations show that this privatisation and its minimum of 10% shares offered to current employees are not great enough or dynamic enough an offer to revolutionise how such a business could go forward in restoring, as Lord Young puts it, a "sense of ownership" for public sector workers. I want to ask why mutualisation of the Post Office has not been offered to Royal Mail, too, and to draw on the broader point that the Post Office and Royal Mail are inextricably and obviously linked and that their division weakens the service. I also want to show how the mutualisation of the one and the privatisation of the other will only ensure that both fail.

Historically, if we consider examples of previous privatisations of companies in the UK with fewer than 50,000 employees, we recall that none had a percentage of shares going to employees above 10% of all shares. That precedent of 10% shares sales to workers was set in 1987 by Rolls-Royce. Today, in 2010, the Royal Mail has 150,000 employees, more than three times that amount, yet the share sale proposed for staff is 10%. Why?

Why cannot the Royal Mail be mutualised alongside its Post Office sister? Why has that option not been considered to allow evidence-led policy? That proposition would allow better interdependent models of co-operation between Royal Mail and the Post Office. I remind the House that the Post Office depends on Royal Mail to provide it with one third of its revenue.

The National Federation of SubPostmasters is seeking a 10-year deal with Royal Mail, a deal that the Con-Dem Government will not guarantee as they have still not clarified whether Deutsche Post or the Dutch-run TNT will take over, rather than have a proper stock market share float. Also, the findings of a recent UNI Post & Logistics study into postal services liberalisation throughout the world are not encouraging and should be considered to inform evidence-led policy.

Postal privatisation has already occurred in a number of countries. Normally, the national operator is transformed into a corporation and split into several companies. Privatisation then follows.

Neil Carmichael (Stroud) (Con): Will the hon. Gentleman give way?

Tom Blenkinsop: I would normally, but I am pressed for time.

[Tom Blenkinsop]

Liberalisation is often introduced piecemeal, with the private sector being handed a slice of the pie at each stage. The report found that competition was often based on price-related targeting, as a result of which many new companies home in on niche targets and cherry-pick, concentrating on business-to-business, business-to-consumer, dense urban markets or bulk mail. Previously, Royal Mail was able to use profitable bulk mail business to cross-subsidise unprofitable but socially necessary deliveries to remote areas, but private competitors have snatched 40% of bulk mail in downstream contracts. As a result, Royal Mail's £233 million profit in 2006-07 was transformed into a loss of £279 million the following year. Privatisation and liberalisation have resulted in huge job losses and exerted pressure on wages and conditions.

Chris Evans: Like me, my hon. Friend is a former trade union official. He knows that—

Madam Deputy Speaker: Order. This is not a conversation.

Chris Evans: My hon. Friend knows that TNT has a terrible track record on employee relations. If it takes over Royal Mail, will productivity be affected in terms of worker happiness?

Tom Blenkinsop: As a former trade union official, who often likes to stand and cannot normally sit down, I agree with my hon. Friend. Between 1996 and 2006, Germany's Deutsche Post axed more than 21,000 full-time and 12,000 part-time jobs. In some cases, the employment situation has been transformed beyond recognition. In Holland, the 27,000 mail deliverers employed by the three major companies have service contracts rather than employment contracts, thus they are without employment protection, holiday pay, disability insurance and entitlement to unemployment benefits.

Mr Anderson: The rigours of the private sector.

Tom Blenkinsop: Exactly.

In Germany, only 18% of the jobs created by Deutsche Post's competitors are full time. Deutsche Post cut average pay by 30%, but things are even worse in the new competitors, where delivery workers in western Germany earn 40% less than their Deutsche Post colleagues and delivery workers in eastern Germany earn 50% less than their Deutsche Post colleagues. The disparity is starker still in Holland, where the total payroll cost for a postal worker employed by the main operator is €23 an hour compared with just €7.60 an hour for someone who works for its competitors, which pay by the piece.

The Bill provides no real protection for service users, irrespective of definitions of a universal service obligation. Clause 50(1) states:

"A consumer protection condition may require postal operators to be members of an approved redress scheme."

That is useless. Any future privatised service must be a member of such a scheme in order to give the consumer redress. The word "may" allows an opt-out and no consumer redress.

Clause 50(5) states:

"A consumer protection condition may require postal operators…to provide information to OFCOM."

Again, the word is "may". There is no requirement that the provisions are checked.

In conclusion, we are not looking at something new today. Other countries have gone down this road, and the result is a bad one for the staff, the business, other businesses and the general public. Put simply, if people live in a rural or far-flung area, are poor or are unable to pay for a promised premium service, they will suffer. What use to a postal worker is a market share in their own demise? What use to the general public and business, as service users, is a purely profit-driven postal business with no consumer redress, rather than a postal service that serves the public?

5.27 pm

Rebecca Harris (Castle Point) (Con): I am grateful for the opportunity to speak in this debate, as the future of the postal service is a long-standing interest of mine, not least as the director of a company that was reliant on a dependable, reliable and efficient postal service. I do not underestimate the public attachment to Royal Mail and the wide interest in the implications of its privatisation. Given its universal obligation, everyone—businesses and the public—has an interest in Royal Mail's continued success.

An objective look at the situation is necessary. Richard Hooper made it clear to the previous Government, and has made it even clearer to this one, that Royal Mail urgently needs investment to improve its service to make it more efficient, competitive and effective in a more crowded and shrinking market. I do not want to underestimate the progress that Royal Mail and the unions have already made in that respect, as Hooper has also made clear.

The key question is how that progress can be accelerated. Investment is the key, and we need to ask ourselves how Royal Mail can bid for extra Government investment against the background of the economic inheritance that the previous Government left this Government, and other pressing claims on public funds such as defence, health and education. Royal Mail's pension deficit is growing all the time, and the situation is becoming increasingly urgent, if Royal Mail is, in the Secretary of State's words, to "survive and thrive".

The key proposals in the Bill cannot come soon enough, if we are to secure the future of our national postal service. These include committing to protect the universal service obligation, clearly demerging Royal Mail, protecting the post office network, taking over the burgeoning pension liabilities and enabling Royal Mail's 150,000 employees to have share rights. The share deal will give employees a leading role in the privatised new company. They will be able to bring their combined experience to bear in ensuring its success under new management. That deal is also important if an investor is to be attracted to Royal Mail to provide the fresh cash injection that we urgently need, because any investor will want reassurance that moves to improve the business will be strongly supported by employees. The generous share deal will give investors precisely that confidence, and it is one reason the Bill is far more attractive to potential investors and Royal Mail employees than the failed attempt by the previous Government to part-privatise.

I am extremely pleased that the Government are also protecting consumers by ensuring that the Post Office is not included in the privatisation and by categorically

stating that there will be no repeat of the mass closures that almost everybody across the UK had to endure under the previous Government.

Mr Anderson: Does the hon. Lady accept that more post offices closed in the years before the Labour Government than during their 13 years in office?

Rebecca Harris: I thank the hon. Gentleman for that interesting observation.

Mr Anderson: Does she agree?

Rebecca Harris: I was not here at that time, but it is an interesting historical observation.

My constituents, like most others across Essex, suffered very badly from the epidemic of disappearing post offices in the past decade, which left many vulnerable constituents isolated and caused entire rows of traders to suffer. I am proud to support the Government in reforming the Royal Mail while ensuring that vital community resources are maintained. I also look forward to any plans that the Government might consider to give local communities and post office employees a chance to benefit from the success of their local branches.

5.31 pm

Mr David Anderson (Blaydon) (Lab): What we have seen today is the Liberal Democrats covering for the long-term view of the Conservative party, which has always wanted to privatise Royal Mail. As far back as 1992 Michael Heseltine was clear about wanting to do that, but the public and Parliament would not let him. He came back in 1994 with plans similar to those put forward by the Labour Government last time round, but the plans failed then, as they did last year. Thankfully, the people of the country did not want that.

We have heard more and more today about the rigours of privatisation. What that means is taking away the service, screwing the workers into the ground, giving public money to private companies and taking money out of the country. That is what happened with the gas, electricity and water services.

Mr Robert Buckland (South Swindon) (Con): I cannot let that comment pass. This is not some ideological crusade; it is about trying to create a modern Royal Mail service for the future. That is in the interests of the work force: we want to protect jobs, not lose them.

Mr Anderson: I am pleased that the hon. Gentleman mentions the work force because I can now ask him, if he believes in the new politics, why not ballot the work force? If they say yes to privatisation, we will all shut up and go home. We will walk through the Aye Lobby if that is what the work force want—but I think he would be on a losser.

There are other examples. When we were telling Sid to privatise all the utilities, we were also creating the pensions mess that we are cleaning up today. The 13 years of pensions holidays under previous Tory Governments led to Royal Mail facing 38 years of paying back pensions. That is the main reason for today's comments about the public having to pick up the bill. As someone said earlier, we will get all the bad parts and the private sector will get all the good parts. That is exactly what happened with the coal industry: we privatised it and now we are buying coal from Ukraine and China. We put 200,000 miners on the dole, but that does not matter: it is the rigours of privatisation. The rigours of privatisation mean that 6,000 in China will be killed in coal mines this year, but nobody on the Government side cares about that. And what happened with the rail services? What happened with Railtrack? It failed. What happened with GNER and the east coast main line? They failed. What happened with east coast railways? They failed. The public sector had to come in and pick up the mess, and that is what will happen here.

We have also seen the development of markets in the health service. We had compulsory competitive tendering in the early 1990s—ideologically driven part-privatisation that meant that ordinary workers who had given their lives to public service were sent out to work for the Joe Bloggs cleaning company. We have seen it with foundation trusts and market-led rigours. What are they doing? The hospital in my constituency closed its laundry. Now, 5 million pieces of laundry have to be taken 140 miles, from the north-east to Leicester and back again, because it is cheaper. Those are the rigours of privatisation—forgetting the fact that 90 laundry workers have been sacked.

We shall see exactly the same thing with Royal Mail. It is clear what we can do in this situation. As I said earlier to the hon. Member for South Swindon (Mr Buckland)—he and I worked together for the Gurkhas—if he really believes that people want privatisation, he should be honest. Go out and hold a referendum: ask the work force what they think. When Royal Mail is no longer allowed to be called Royal Mail, it will no longer be allowed to put the Queen's head on stamps. The mail service will probably be subject to VAT.

It is clear that the public do not want the measure. The workers do not want it. The majority of people on the Opposition Benches do not want it, and the truth is that half the people on the Government Benches do not want it either, but they are being driven—

Anna Soubry (Broxtowe) (Con): In my constituency there are 700 postal workers at the Beeston sorting office. To my knowledge, not one of them has written to urge me not to support the Bill. Two of them came to the Commons today to ask me not to support it—two in 700.

Mr Anderson: I thank the hon. Lady for her intervention. If she would like to meet me outside in the Lobby, I will take her name and address and pass it to the general secretary of the Communication Workers Union. I will ask him to write to his 700 members at Beeston to ask them to contact their MP and tell her that they are happy to work for TNT or Deutsche Bank, and that they will be happy to see their pensions, shift allowances and jobs go down the river. If that is what the workers want, that is what the rigours of privatisation will deliver. The track record cannot be denied. We can pretend it does not happen, but that is the truth.

It is clear that there is nothing new in the Bill—

Robert Halfon: It seems that clause IV is alive and well in the Labour party. According to the hon. Gentleman's logic, should he not nationalise everything? Why not put Sainsbury's and Tesco under state ownership?

Mr Anderson: I welcome the hon. Gentleman's view; perhaps he would like to join us. A number of us on the Labour Benches believe that doing away with vital public services has been a huge mistake. It cannot be denied. The truth is before our very eyes. The people of this country do not want their water, gas and electricity to be provided by the French and the Germans, and they certainly do not want their postal services to be delivered by the Dutch, the Germans or the French, which is where we shall end up if the Conservatives and the dupes who support them have their way.

5.37 pm

Damian Collins (Folkestone and Hythe) (Con): Following the remarks of the hon. Member for Angus (Mr Weir) much earlier in the debate, I begin by pointing out that in some ways the Bill is too good to be true. He raised concerns that people in rural areas, especially in Scotland, would no longer have a universal service if the Bill is passed. However, the answer is that of course they will. People who live in built-up areas will continue to subsidise the post of people who live in rural and distant areas. People who live in constituencies in the south-east of England, such as mine in Folkestone and Hythe, will continue, relatively, to subsidise people who live in remote areas, because we all believe in universal postal provision, and that is included in the Bill.

Our concerns are that Royal Mail will run out of money to sustain its current universal six-days-a-week service unless its pension deficit is solved and, crucially, the business is transformed. That view is not unique to Government Members; it was expressed by the former Secretary of State, Lord Mandelson, when the previous Postal Services Bill was introduced in the House of Lords last year. There is a degree of common ground. It is a question of how we go forward in a way that gives value to customers of Royal Mail and the Post Office, and the taxpayers who must pick up the liability for the Royal Mail pension pot. Under the provisions of the Bill, the taxpayer will take on a considerable liability, so it is right that in return we should consider how the Royal Mail business can be transformed and work better.

Hon. Members have spoken about all aspects of the Bill; I shall touch on only a couple of them. Going back to the remarks made by the hon. Member for Angus (Mr Weir) and my hon. Friend the Member for Argyll and Bute (Mr Reid) earlier in the debate, clauses 35 and 37 provide that if Ofcom considers that the efficiency of the universal system can be better delivered with additional suppliers coming in to support that service, it will have the opportunity to advise the Secretary of State accordingly. That can only strengthen the quality of the universal provision. A number of hon. Members on the Government Benches would not see that as a bad thing.

Thomas Docherty (Dunfermline and West Fife) (Lab): Does the hon. Gentleman accept that one of the great lessons of the privatised utilities is that none of the regulators have had sufficient teeth to stand up for the interests of consumers? Why should the regulator in this case be any different?

Damian Collins: I can speak only from my own experience, having previously worked in the advertising industry, where we encountered the wrath of Ofcom. It seemed only too ready to stand up for the rights of consumers, and I have every confidence that it will do so in the case of postal services too.

Opposition Members have asked repeatedly what guarantees there are. What guarantees have there been for the Post Office and Royal Mail over the past 13 years, when we have seen thousands of post offices closed? The hon. Member for Hampstead and Kilburn (Glenda Jackson) gave an impassioned speech about the removal of post office services and sub-post offices from her constituency. We would all concur with that, and we would all share the view that they play a vital role in the community, but the previous system made no guarantees to those post offices. We have seen a slow withering of the post office network on the vine, a slow reduction in the support for post offices, and their closure. We cannot go on like that.

I am interested in the provisions of clauses 26 and 27, which give authority to postal service providers and get rid of the current licensing regime. The Secretary of State believes that that will be more efficient and cheaper for businesses. I would be encouraged if the same mechanism allowed new providers to come in. During the debate, hon. Members have asked how new sub-post offices can open and how postal providers can come into the market.

In my constituency—other hon. Members may have had the same experience—to try to fight the pressure for branch closures, independent businesses fought hard to keep those post offices open. The Enbrook Valley post office in my constituency is a sub-post office run by an independent retailer. He had to fight hard to maintain that provision. He wanted to put a business case together to keep that post office working, and with the support of the local community and money raised by the local community, he did just that. I would like to see more of that, and the process made easier through the Bill.

I am interested in the work of organisations such as Pub is the Hub, which try to turn pubs into multifaceted businesses, particularly in rural communities, where the post office can play a part too. In a village in my constituency—Elham, where I live—when the post office closed, provision was transferred to a counter operating in the King's Arms pub. Never before had it been realised that there was such demand for picking up books of stamps at lunchtime. There may well be more business models like that which we could encourage, through a mechanism that encourages new providers to come into the post office branch network market.

I agree that it is right that the post office network should not be privatised as part of the provisions of the Bill. However, that does not mean that there should be stasis around the post office network, with nothing changing. Although we welcome the money that the Secretary of State announced today to support the network, that does not mean that there cannot be innovation in provision and an attempt to attract new providers. I look forward to debating the Bill, especially clauses 26 and 27, and listening to the debate as it progresses through Parliament. May it offer some opportunity for new providers to come in, and for the Secretary of State to encourage and support that.

5.43 pm

Mr Russell Brown (Dumfries and Galloway) (Lab): I apologise to the House for being absent this afternoon. When I applied to the Speaker to take part in the debate, I stated that I would have to chair a meeting at the offices of the Department for International Development, which was the reason for my absence.

The Bill is undoubtedly contentious. Although some would like to do so, we cannot separate Post Office Ltd from Royal Mail and that part of the business that the coalition Government seek to privatise. I should declare an interest as Chair of the all-party group on post offices.

I am deeply disappointed, because, having been in the Chamber when the Secretary of State made his opening remarks, I feel that there has been something of a mad dash to introduce this legislation. I admit that he talked about the right things as far as I am concerned, such as mutualisation and everything that that offers, but I am disappointed, because he should have examined the issue in more detail before we reached this stage of the Bill.

I am not here to negotiate on behalf of either the employees of Royal Mail or the Communication Workers Union, but 10% shared ownership is almost derisory, and a greater shared ownership figure might have been more acceptable to some at the forefront of the issue.

I accept that there is a demand for modernisation and for greater efficiencies. I do not think that anyone in this House fails to recognise that. I appreciate that some Members will have visited their local sorting offices, but I say to Members from all parts that if they speak to their local staff, as I regularly do at my five local sorting offices, they will hear each and every worker, including their managers, say that they have done their utmost to adhere to what the company has asked of them. They have modernised.

We have reached the stage at which any further attempts to make some of those businesses more efficient will result in job losses, and employees are at a total loss to understand what more they can do as individuals in that work force. We have seen 50,000 jobs lost, and, if the Bill is passed and delivers what many Opposition Members think it will, we could see another 50,000 to 60,000 job losses.

I represent a rural constituency, and the universal service obligation is sacrosanct, but is absolutely nothing in the Bill provides a cast-iron guarantee that the current six-days-a-week delivery to every door will continue. I mentioned—and I wish to mention again—that I recognise that there is a black hole in the pension fund, but it is a significant pension fund, and I issue a warning to the coalition Government. I sincerely hope that they go nowhere near that pension fund to do what the previous Conservative Government did to the bus employees' pension fund after bus deregulation.

This is a Bill with unintended consequences: the closure of post offices. I know that Government Members have mentioned what the previous Labour Government did, but if they cast their minds a little further back, they will find that thousands of post offices closed on an ad hoc basis. There was no structure to their closure at all, and I say to the hon. Member for Folkestone and Hythe (Damian Collins)—it was a point that I wished to make in an intervention on him, but I shall make it now—that the things that keep post offices open today are, without a shadow of a doubt, the access criteria. I do not know whether the Government intend to keep those criteria in place.

Some 41% of the business that our post offices transact daily is as a result of the inter-business agreement. The National Federation of SubPostmasters wants a 10-year agreement, and anything less than that will result in post offices withering on the vine. So, there is a warning: the 10-year agreement that has been asked for should be carefully considered.

Post bank is not the white knight that we all expected, but it must be introduced. In a briefing, the postal services Minister did talk about asking Departments to provide additional business for our post offices. I only wish that that could happen. If it were possible, and if we were able to make it happen, it would have happened by now.

The issue of green giros has been raised, but the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb), who is responsible for pensions, refused to meet a small delegation from our all-party post offices group.

I thank you for calling me, Mr Deputy Speaker, but I urge caution on this Bill and on the unintended consequences that it could bring.

5.49 pm

Jake Berry (Rossendale and Darwen) (Con): Today's debate has been very interesting. I will set out—briefly, because time is short—why I support the Bill.

Years of falling mail volumes—down 15% since their peak—together with low profit margins and a huge pension deficit have mortally wounded our Royal Mail. Doing nothing is not an option if we are to retain a world-class mail service and, most importantly, retain our world-class work force within it. Real reform of Royal Mail was put in the "too difficult" pile by the previous Government, but there were some attempts to change our post office network, including the closure of 5,000 post offices. In my constituency, this included our village shop, and it was a double blow to the rural community. We have lost services such as Sunnyhurst post office, which is still missed by the residents of Darwen. Nothing could have better shown the chaos of this closure programme than the former MP backing the campaign by the *Lancashire Telegraph* to keep the post office in Darwen and then voting in this place against our proposal to stop such closures.

These losses of service have been most keenly felt in our rural areas, where a lack of broadband and other forms of rural isolation mean that residents are heavily reliant on the postal service to keep in touch with the outside world. I have recently written to Royal Mail after learning that postmen working in the village of Edgworth in my constituency have been instructed to return undelivered packages to Bolton rather than to our small post office in Edgworth. Residents are now expected to make a 14-mile round trip and use a sizeable part of their day to collect parcels. Other poor reforms by the previous Government included the loss of the morning delivery in many areas, including at my house, where we wait until 1 pm or 2 pm for the post.

[Jake Berry]

The Government's proposals, set out in this Bill, are a once-in-a-generation opportunity to transform the culture of Royal Mail. It will open it up to private investment and expose it to the rigours of private sector efficacy but it will, crucially, maintain the universal postal service. When looking at these proposals, we must keep in mind that the real experts in this field do not sit in this House – they are the people who work in Royal Mail. That is why I am delighted that the Bill includes the principle of 10% ownership for employees and the mutualisation of the Post Office.

Supporters of the radical changes that this Government have brought about in schools know that the expertise for running schools does not rest in Whitehall. Likewise, the Bill acknowledges our world-class work force, their passion for the business, their dedication to service and their future at the heart of Royal Mail. If Royal Mail is to modernise, it must bring its work force along with it, and I believe that the 10% ownership measure will do that. Crucially, however, it must avoid militant opposition to privatisation. During the last Royal Mail strike in Manchester, the business in which I worked moved from sending out approximately 1,000 invoices a month via mail to an online and e-mail invoice delivery system. I am sorry to say that after the strike ended, having spent time and effort on moving the system online, we never went back to posting our invoices again. I urge the unions not to swing a wrecking ball at Royal Mail. Royal Mail undoubtedly faces challenges from falling mail volumes, but we must be realistic, and I am sure that a modern Royal Mail with proper employee participation would meet every challenge ahead of it.

Although we currently have 51 licensed postal operators, Royal Mail has not previously been attractive to outside investment owing to its pension deficit. Again, doing nothing is not an option. In this Bill, the new coalition Government take on the deficit, putting the company on a firmer footing while protecting the pensions of all Royal Mail employees past and present. I support the Bill, I support the universal postal service, and I applaud the principle of employee participation.

5.54 pm

Stella Creasy (Walthamstow) (Lab/Co-op): I am grateful for the opportunity to speak in this debate about the future of our postal services. I speak as both a Labour and a Co-operative Member, concerned to ensure that, as co-operative ideals and models become popular, there is clarity about the opportunities that those ways of working present and the models that can be used. I speak also as a Member who has tabled a ten-minute rule Bill for presentation next Wednesday on the benefits to be gained by securing affordable credit for all citizens, through credit union services in a tie-up with the post office network. I wish to focus on that point today.

I tabled my Bill because I am deeply concerned that the Government have not yet understood the nature of personal debt and poverty in communities such as mine, in Walthamstow. I therefore urge Ministers to do more to revise their plans to ensure that the post office network can offer affordable sources of credit. From the credit review that they are undertaking, they will be aware of the need to do more to ensure that people can access a wide range of financial services. I hope, through my Bill, to convince them not to ignore those for whom credit cards and store cards are not an option, and to protect those who can access credit only at extortionate prices through doorstep lending companies. They can do that, not least, by dealing with the lack of competition in the financial services market for those who are on low incomes or have bad credit ratings.

It is worth remembering that six lenders account for 90% of the home credit market, and that there is little competition to drive interest rates down. Provident, which accounts for 60% of the doorstep lending market, has stated that, thanks to the Government's policies, it expects a growth in its target market, which, in layman's terms, means the poor and those unable to access credit through mainstream banks. Increasing access to credit unions that offer loans at more affordable rates by working with the post office network would help tackle that monopoly and protect consumers. The Bill provides the ideal opportunity to do what the previous Government wanted to do and build on that partnership.

Consumer Focus, an organisation that many Members have quoted today but which the Government seem to want to dismantle, has been a powerful advocate of the potential for credit unions and post offices to work together. The suggestion has been promoted also by the Association of British Credit Unions, whose work on the matter I commend.

Today, we have heard that the Government intend to protect the post office network through the provision of a subsidy, but we have no detail about how much of that will actually go to post offices and how much could be diverted, for example into the costs of a restructuring. One suggestion that I would make to Ministers is that some could be used to support the one-off investment needed to provide the common back-office platform that would allow technical integration between Post Office banking services and those of local credit unions. Consumer Focus has championed that idea because of the benefits to both credit unions and post offices.

Such a link-up would enable post offices to offer a wider range of services, including, critically, instant small-scale loans of anything from £30 to £400, which are a vital service for many of my constituents. Credit union customers would also be able to access their accounts and make payments at the post office, and in turn each transaction would generate a transaction fee, which could provide a new stream of revenue for the Post Office.

So far so great, but the question is how to make that happen, not just in one post office but across the country. I wish to push the Minister to give some detailed answers on that point. The Bill is intended to keep the Post Office in public ownership by turning it into a mutual, but the devil is in the detail of the proposals. As the Government accept, only 370 of the 11,500 post office branches are directly managed by the Post Office. The rest are sub-contracted to franchisees. That means that the vast majority of post offices depend on other businesses as well as the Post Office to remain sustainable. Without a clear and confirmed business plan that will bring in new sources of funding, there is little hope that their services, and so their stores, will continue. Ministers must understand that that generates a lot of concern among those of us interested in the potential tie-in between credit unions and post offices.

The post office becoming the front office for government would offer one stream of revenue, but it is worth remembering that the benefits business of post offices has declined since 2003, a trend that is likely to continue given the Government's benefit reform plans. Even if that business is sustained, what they offer with one hand they risk taking away with the other. With no obligation for the reconstituted and privatised Royal Mail to work with the Post Office, we risk the core business of post offices shrinking. The Government have suggested that a privatised Royal Mail could still use the Post Office to provide its counter services and offer some protection through an internal business agreement, but given that they cannot guarantee that that will be commercially binding, it is not a certainty. That is why the Co-operative party has set out its concerns about the proposals today.

Let us be clear: those of us who are co-operators would like to see a people's Post Office, with the public, postmasters and others having a say in how it is run. However, there is deep concern that that cannot be delivered through the privatisation of Royal Mail, because it will put so much of the business on which post offices rely at risk. Royal Mail business accounts for approximately a third of Post Office business, so clearly, any reduction would mean that thousands of post offices became unsustainable and closed. We therefore do not accept the idea that the Post Office and Royal Mail should be treated separately. Those of us who see the relationship that could be achieved between the credit union movement and the post office network see the clear link between the Post Office and Royal Mail. We therefore see the importance of setting out how to protect the 11,500 post office branches.

As I said at the beginning of my speech, there is a desperate need to support those on lower incomes to access financial services and affordable credit. I failed last night to persuade Treasury Ministers to take those concerns seriously and to meet me and campaigners to discuss them and my Bill. I hope to fare a little better today, so I ask again for Ministers to meet me and campaigners to consider how we can extend affordable credit to all in our society, and how we can support that through post office network reforms. Only in that way will we be sure that the potential tie-in between credit unions and post offices can be secured. Without such guarantees, there cannot be an open branch network to support the credit union movement, and the Opposition will return the Bill to sender.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. There is half an hour left and eight Members are trying to catch my eye. If everybody shows restraint, we might just get everybody in.

6 pm

Priti Patel (Witham) (Con): I will show some restraint, Mr Deputy Speaker.

I should declare an interest. I am not a member of the CWU, but I am the daughter of a former sub-postmaster whose post office business was closed down under the previous Labour Government during their ruthless post office closure programme. It will come as no great surprise to the House that I support not only the Bill but the need for root-and-branch reform of Royal Mail. We need to innovate to make Royal Mail not only economically viable but sustainable in the long term and efficient.

We heard from the Secretary of State that Richard Hooper's report earlier this year pointed to the dire financial position of Royal Mail. Clearly, that is unsustainable. He also said that the injection of private capital to modernise Royal Mail was vital. I have sat through most of the debate, and I am stunned by Opposition Members' lack of enthusiasm for reform and modernisation, particularly given their legacy.

There are some very good points in the Bill. It is worth noting that the pensions of Royal Mail workers will be safeguarded. After all, earlier this year, a CWU publication entitled, "Time to Deliver – Royal Mail Pension Fund Deficit", stated that the previous Government's

"decision not to proceed with the Postal Services Bill has meant this vital pension reform has been shelved. This position is untenable. The government must take responsibility for the deficit if the industry is to succeed."

Our Government should be congratulated on their boldness. They have taken on that commitment and the liabilities for the record and historic deficit, which is vast.

Much more in the Bill should be welcomed not only by my hon. Friends but by Opposition Members, including safeguarding the universal postal service and the provisions of clause 30. My constituents will be reassured by the commitment to the universal postal service. As the daughter of a former sub-postmaster, I know how vital that is. I have a very rural constituency, and many of my residents will be reassured.

My constituents will also welcome the measures that safeguard the future of the Post Office in clause 4, which states that no more closure programmes will be introduced. I find the hypocrisy of Opposition Members astonishing. They are scaremongering and trying to mislead the public, but it is about time that they faced facts. We are committed to ensuring that there are no more post office closures. It is utterly disappointing to hear their tone and some of their criticisms. However, Government Members should not be surprised. We should remember that the Labour Government had the chance to reform and modernise the Post Office, but because of their union paymasters, they simply bottled out and failed.

There is a lot to be grateful for in the Bill. The accusations of ideology are utter nonsense. I welcome the Bill because it will lead to much needed, crucial reform in terms of competition and deregulation. We are getting rid of an over-regulated service and bureaucracy, and we are empowering Royal Mail workers – share ownership is absolutely vital. On that basis alone, I support the Bill. I think this is a marvellous Bill going forward.

6.4 pm

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): It was enlightening to discover that the father of the hon. Member for Witham (Priti Patel) was a sub-postmaster. I understand that her great hero was the daughter of a shopkeeper. Let me suggest that the style that she has adopted is somewhat similar.

We have heard a lot today about the Post Office and the implications that the privatisation of Royal Mail will have for it. In most countries, collection and delivery

[Gregg McClymont]

services, as well as the network of post offices—that is, the universal service obligation—are protected by statute. That is the case in the United States of America, and in the two countries with the most successful mail companies in the world: Netherlands and Germany. The detailed rules in Germany are as follows. There must be a post office in each community, designated a "local centre" by planning regulations. There must also be a post office in each community of 4,000 inhabitants. In urban areas, customers must be no further than 2,000 metres from a post office, and in areas not otherwise covered, a mobile service must be provided. In effect, those rules mean that Deutsche Post must keep open a minimum of 12,000 post offices.

The Bill contains no specific criteria regarding post office numbers. That would not have mattered, had an integrated mail and postal entity remained in state ownership. I say that because despite what the Secretary of State said earlier, it is indeed the case that the relationship between Royal Mail and the Post Office was structured by Government ownership. Of course it was: it was structured by the criteria that the Government set and under which those two entities existed. Let me be clear: there is no requirement in the Bill for any mail company to use the existing post office network. If Royal Mail ceases to use the full postal network, the Post Office will be bankrupt.

Predictably, and in order to deflect attention from that question, the Government have today announced what seems to be a large subsidy, although I would caution hon. Members on both sides of the House about that. The devil will be in the detail, because not only does the £1.3 billion announced cover the entire period of the spending review, but there is no assurance that all the money will go on a subsidy. As my hon. Friend the Member for Walthamstow (Stella Creasy) said, the money could be used for restructuring or other management costs.

In the end, there is no substitute for sound protection of the network through regulation. It would be dangerous in the extreme to make the post office network solely dependent on the tender mercies of the Treasury. What the Government propose is a structure that puts the long-term future of the Post Office in grave danger, with the faultline concealed by the creation of a short-term subsidy. What the Minister is doing, when one dispenses with the smoke and removes the mirrors, is putting in place a policy that, down the line, will facilitate the shutting of post offices. That will happen at a point in the not-too-distant future, when the Treasury's munificence is withdrawn.

I said earlier that most countries had statutory rules protecting the number of post offices. Until now, there has been one notable exception to that rule: Sweden. Sweden adopted plans that bear some resemblance to those advanced by the Minister. The National Audit Office passed the following harsh judgment on the practice in Sweden, saying that

"its attempts to reform its post offices network were drastic, poorly thought out, and initially were most unpopular. It is clear that"

the Swedish postal service

"was acting freely and without government interference until the unpopularity of the changes introduced in 2000 onwards became apparent. At this point political pressure was brought to bear."

I do not know which management consultants the Swedish Government consulted, but I do know from the Wikipedia entry for the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey) that he spent his career before he became an MP privatising mail services around the world. When I last debated the issue with him, he refused to engage with these detailed questions. I now know that that is not because he did not understand them. Might it be because the Treasury is insisting that the long-term demise of 7,000 rural post offices is a price that must be paid to ensure that the equity price for Royal Mail remains high?

6.10 pm

Julian Sturdy (York Outer) (Con): Before us today is a truly national piece of legislation. Our postal service is a cornerstone of British life. It is a frequent source of frustration for many, alongside the weather and—particularly on this side of the House—the BBC, but it is also a traditional source of reassurance. Remarkably, a postal service was first made available to the general public back in 1635 when Charles I was on the throne. Over the years, it has evolved and adapted, albeit slightly slowly at times, but even today people up and down the country still depend heavily on our postal services. That is particularly the case in rural areas, including many of the villages in my constituency. Local post offices are often the commercial bedrock of such villages, the sole shop in the area and a gateway for correspondence to reach any destination in any part of the world. They are also a lifeline for elderly residents.

In the past, the closure of post offices has caused real problems for local communities, which often launch proactive campaigns to retain their vital services. We have already heard about many such campaigns in the debate today. Indeed, before being elected to Parliament earlier this year, I had visited Westminster on only one previous occasion. I was a parliamentary candidate delivering a petition to No. 10 Downing street with residents from Fulford, as part of our campaign to save our local post office. Sadly, our noble attempts failed, but I saw at first hand how passionate local residents can be about their local services, particularly the post office. I also saw the impact that such losses can have on a community.

So, let the first premise of today's debate be that the country still values and depends on local post offices. Acknowledging that fact should not, however, make us averse to the reform that our postal service so badly requires. On the contrary; our desire to protect the Post Office should result in greater determination to reform and indeed privatise Royal Mail. By reforming the latter, we will be protecting the former. It is on that basis that I broadly support the Bill.

As with all difficult pieces of legislation, it is important to remember why we are here. Royal Mail's financial health continues to worsen, with its market share declining. The pension deficit is more than £10.3 billion, and the regulatory regime is not fit for purpose. Royal Mail is not sustainable in its present format, and would eventually fail completely if the status quo were allowed to continue unchecked. These were the conclusions of Richard Hooper's 2008 Government-backed review into our postal services. Richard Hooper has also recently commented on the unnecessary 20-month delay that resulted from Labour's

ditched reform plans. In his opinion, the situation has got worse, and doing nothing is simply not a tenable option. Once again, real action is required, and once again, it takes this Government to lead the way.

By opening up Royal Mail to private investment, the Government will relieve the organisation of its enormous and historic pension deficit, and at least 10% of shares will go to Royal Mail employees. Attracting an injection of private capital into Royal Mail will end the dependence on funding from the taxpayer. New commercial disciplines will be introduced to the business, alongside a new businesslike culture that is driven, focused and capable of delivering the very best service to the public. Privatising Royal Mail will, in essence, secure its long-term future. At the same time, this privatisation ensures that Post Office Ltd is not for sale and that the 11,500 post office branches across the UK will remain in public ownership. Despite what has been said by Labour Members, there will be no further programme of closures, although such a programme frequently occurred under the previous Administration.

Despite my general enthusiasm for the Bill thus far, I would like to raise one specific point of concern: the future of sorting offices. Unlike post office branches, sorting offices are, of course, operated by the Royal Mail. I have already touched on the local importance of our universal postal service and the role that post offices play in our local economies. The same principle can be applied to sorting offices, so I urge the Government to highlight the importance of retaining sorting offices—at least in every major UK city, such as my own of York—in any negotiations with private investors. I strongly believe in the Government's localism agenda and any attempts to maintain at least city-based sorting offices would, in my view, be welcomed in our northern and rural economies, where such offices often employ many and play an important role in the efficient delivery of postal services.

In summary, the universal postal service remains a traditional, well respected and relevant part of our national life, but to allow the status quo to continue, out of some nostalgic fantasy, would be devastating in the long run. The reforms in the Bill strike the necessary balance—taking action to control the pension deficit, further modernising our postal services, providing an exceptional employee share scheme and, most importantly, ensuring the survival of post office branches across the country.

6.16 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): I declare an interest, as I have worked with the Scottish branch of the National Federation of SubPostmasters over a number of years to oppose the closure of post offices introduced by the last Government, and I will continue to oppose closures. I have also worked with the Communication Workers Union, while my predecessor Harry Ewing—now, sadly, deceased—was a postman and eventually a Minister. I am deeply involved in this, and I am secretary of the liaison group for the Communication Workers Union in this Parliament.

The Bill does not provide a logical or necessary solution to the problems of Royal Mail, and it is not the only response to the Hooper report. It is, indeed, another Liberal Democrat betrayal. It is not part-privatisation, but a political decision by the Liberal Democrats to join in the carnage in the public sector.

Lorely Burt *rose*—

Michael Connarty: I will take no interventions, as many Members wish to speak and I want to take just six minutes.

This is not about a part-share sale, which was the policy on which the Liberal Democrats were elected, but, to quote from the Bill, it is about allowing

"for an unrestricted sale of shares in Royal Mail".

The Bill returns to the 1992 plan to break the link between Post Office Ltd and Royal Mail, with all the duplication of management and logistic structures that it will require, which will eat massively into the £1.2 billion set aside to set up a separate Post Office Ltd. It will tear up the operating synergies, which provide a third of Post Office Ltd revenues from services provided for Royal Mail, and there is no guarantee that these will continue. The current subsidy is £180 million a year; it will have to rise £270 million a year to sustain the post office network in future.

The problem is that there is no guarantee that the subsidies will be provided. Clauses 11 demands only an annual report and says nothing about what the Government will do to guarantee the post office network that sends the report. The sub-post offices' postal and Royal Mail services that are vital to the commercial survival of villages and the sub-post offices in rural and urban areas will be jeopardised.

The Hooper report called for a number of things, none of which required the privatisation of the Post Office. The final report specifies three necessary elements: private sector investment, the Government taking on pensions, and changing the regulations, as the Bill does—in fact, in that respect, it is exactly the same as the previous Labour Bill. Hooper 1 recommended new management, and we have it, from a noted organisation that has been associated with high-quality services; Moya Greene has come from Canada Post to run Royal Mail. All parts of Royal Mail, including Post Office Ltd, are profitable at this moment. There is no need for a subsidy.

On the recommendation on pensions, let us look at what happened with BT's pension deficit. The Government thought that they had taken on a liability of £7 billion, but the High Court has just ruled that the liability is an exposure of £24 billion, because it must include everyone who joined BT after its privatisation. There are no guarantees that the same will not happen with this privatisation. The clear and simple way to deal with the matter is to accept that we must nationalise the debt. If we did that now, Royal Mail would not have to pay £291 million a year to service its deficit. The changes involving Ofcom would bring in another £120 million of income, which would make £411 million available to Royal Mail to complete its modernisation.

Increased efficiency was the basis of the other recommendation in Hooper 1. In a vote in March 2010, there was two-to-one support among CWU members for the new modernisation programme. That was one of the first Hooper 1 criteria. Many opportunities were missed between 2000, the passing of the Postal Services Act and the granting of commercial freedom and the

[Michael Connarty]

2010 decision. Loans were given, but the management failed to deal with distribution or with sorting office networks. Sorting machines were bought from France and left uninstalled by the management. Bullying was used to downsize the number of staff in the distribution and delivery centres. The management's actions were based not on efficiency, but simply on a desire to keep people out when they left the service. The chief executive who failed in that regard was given a £2.8 million bonus for his trouble.

The fully funded modernisation scheme based on the business transformation agreement that was reached in March is a great leap forward, but, as has been said, it will be massively painful. There will be substantial job losses. The whole thing could be handled by means of a change to allow Royal Mail to raise finance directly, without the need for privatisation or the sale of shares.

Let us examine the myth of "necessary privatisation". Share sales do not guarantee investment; they merely move the ownership of shares to another body. Following Hooper 1, it was impossible to find any organisation, even TNT, that would take an interest in buying shares in Royal Mail. The failure came about not because those organisations feared that they would not gain enough control, but because they realised that there was not enough money to be made from the delivery of mail under the present universal service delivery obligation.

So what will happen? A private equity company will buy into Royal Mail. It will probably borrow money, and then load the debt on to Royal Mail. The Business Secretary will deliver a lot of money to the Treasury rather than to Royal Mail. It is likely that the service will then be split between the part that makes money by picking up and sorting the mail and the part that deals with delivery, which will be dumped on regional sub-contractors who will fail both financially and in terms of delivery. The whole service will then collapse.

6.22 pm

Jesse Norman (Hereford and South Herefordshire) (Con): I have two great interests in the Bill. I speak as chair of the all-party group on employee ownership, which plans to examine the Bill in more detail, and also as head of the Herefordshire save our post offices campaign, which fought hard for several years to prevent local post office closures.

I was surprised by the partisan nature of some Opposition speeches, because there are many aspects of the Bill that Opposition Members should embrace and support. The Government deserve enormous credit for the speed and energy with which they have addressed a thorny and difficult issue. There is a marked contrast between that and the record of delay and compromise under the last Administration, during a period when the financial position of Royal Mail only became worse.

I welcome many aspects of the Bill, including the granting of access to new capital for efficiency and modernisation, the excellent arrangements for employee ownership, and the Government's tough and difficult decision to take on the pension deficit—a nettle that the last Government signally failed to grasp. They preferred to keep it off the balance sheet, like the £230 billion of private finance initiative debt with which we have had to deal. There is a real possibility that, once those changes have been implemented, Royal Mail and the Post Office will be able to turn the corner. The idea of a new mutual structure for the Post Office is particularly innovative and important. This is a human capital business, which requires the human touch and the service that a mutual can bring to it.

However, serious concerns remain. The universal service obligation, which many Members have mentioned, must be preserved. I remind the House of what happened in the telecoms industry, whose privatisation was in many ways highly effective. The universal service obligation in telecoms does not cover either broadband or mobile telephony, but those are exactly the areas in which rural places such as Herefordshire have had a poor deal over the past decade.

I want to draw particular attention to the issue of back-door closures of post offices. We have a vivid case study of that in my constituency. The village of Pontrilas has an excellent post office and shop, with a sorting office, plenty of parking and disabled access. It is a vital community resource in a very rural area. Recently, the sub-postmaster was sacked by the Post Office for a very small mistake in procedure, from which he derived no personal benefit at all. In any other organisation, that would mean a slapped wrist. His case has gone to appeal but it appears that appeal in the Post Office means one person sitting in judgment on hundreds of cases across the UK. If he loses his job, the effects will be disastrous not merely on him—a man who has had no income for the past six weeks, nor is any to come from the Post Office—but on the shop, which would close. The sorting office would go, too, as most probably would the Longtown post office and its sorting centre up the road in one of the most rural areas of this country.

Therefore, I ask the Minister to take an interest in the situation and to look at the position at the Pontrilas post office. I ask whether he agrees with my view that such back-door closures should be prevented and should be included within the remit of preserving the post office network. I also ask whether he shares my view that we need to grow our post offices, push more business through them and use them to support our towns and villages.

Mr Deputy Speaker (Mr Nigel Evans): To resume his seat at 6.30, Mr Chris Evans.

6.26 pm

Chris Evans (Islwyn) (Lab/Co-op): I know that time is short, so I will be as quick as I can; I apologise to any Member if they cannot understand my accent.

This Bill is one of the great "might have beens." It might have set out a positive policy on employee share ownership. Instead it does not tell us how the shares will be distributed and what employees can do with them. It might have strengthened the link between Royal Mail and Post Office Ltd. Instead it raises new concerns about the viability of many post offices.

The Government's plan for the wholesale privatisation of Royal Mail threatens to turn a public service into a private monopoly. The Government have come up with myriad reasons why Royal Mail should be privatised. First, we were told that privatisation was necessary

because Royal Mail could not compete. Royal Mail delivers 99% of the mail to 28 million houses, six days a week. Which competitor in their right mind would want to take that on? The idea that Royal Mail is unable to compete with the private sector is complete and utter nonsense.

We were also told that the privatisation is the only way that Royal Mail can access capital, yet the entire modernisation programme of Royal Mail for the next three years is fully funded. Royal Mail is a profitable business and those profits could and should be retained for future investment.

The proposal to separate Royal Mail from Post Office Ltd, the postal service's counter network, is of huge concern to many sub-postmasters throughout my constituency. Any retail network losing its main customer base would struggle to remain viable. The Post Office relies on Royal Mail for a third of its income and the fact is that a privatised Royal Mail will be free to use other outlets for its counter services. Should that be followed through, there will be mass closures among local post office branches, and I hope that the Government Members who said that they would campaign to save post offices are getting ready to campaign once the Bill goes through.

I welcome the proposal for mutualisation of Post Office Ltd, but that does not mean that I do not have reservations. Currently sub-postmasters have £2 billion of their own money invested in the post office network and it is vital that they be granted a far greater say in how Post Office Ltd is run. The success of the Co-operative Group provides an excellent model for Post Office mutualisation. However, any attempt at mutualisation would inevitably fail unless backed by solid actions to get the post office network on its feet, with a viable business model. There will be no mutual option for Post Office Ltd if there is no credible business plan. A 10-year inter-business agreement is an absolute must to ensure Post Office Ltd's viability as both a business and a universal service provider, but the Government have so far refused to look at that. I hope that the Minister does that tonight.

The most important argument against the proposed sell-off is that the public do not want it. The polling is clear on that. They do not want it in Islwyn and they do not want it in the rest of the country. They understand that prices will go up and that the quality of postal services will go down if Royal Mail is sold, and they are right to take that view. The privatisation of Royal Mail makes no political or economic sense and the Bill is nothing but a wasted opportunity.

Mr Deputy Speaker (Mr Nigel Evans): Order. A couple of Members have sat here throughout the debate but, unfortunately, were not called. I know they will be disappointed, but I will make sure that this counts in their favour when they next put in to speak. I call Nia Griffith.

6.30 pm

Nia Griffith (Llanelli) (Lab): I am very sorry to have to say this, Mr Deputy Speaker, but my name is pronounced "Nee-ah Griffith." I just wanted to put that on the record for everybody.

Mr Deputy Speaker: A Welshman getting it wrong! I do apologise.

Nia Griffith: Thank you.

Today we have been debating a Bill that will lead to the sale of Royal Mail. Many Members have mentioned the fact that the Royal Mail letter service has faced increasing competition from e-mail and text in recent years, and the decline in letter volumes has continued even between the publication of Lord Hooper's original report in 2008 and the update published last month. Many Members have spoken today, and I hope I will be forgiven if I do not mention every one of them by name, but I do want to pick up a few of the points that have been made.

The hon. Member for Northampton South (Mr Binley) serves on the Business, Innovation and Skills Committee and he obviously recognises the need for change. He also made the point that good management is vital, and asked the Minister to make clear how he proposes to secure the quality management that is needed. We all want to hear the answer to that question.

My right hon. Friend the Member for Newcastle upon Tyne East (Mr Brown) wanted to find ways of taking modernisation forward. He pinpointed what we all need to know: how to provide more business for the post office network. The Bill does not provide an answer to that.

The hon. Member for Solihull (Lorely Burt) wanted more information about mutualisation, and I recognise that she and her party have long supported mutualisation. Like many of us, she cannot see exactly how these proposals will work for the post office network.

My hon. Friend the Member for Vauxhall (Kate Hoey) highlighted a problem to do with sorting offices, as did other Members with sorting offices in their constituencies. They are concerned about the consequences of the Bill for sorting offices. We also had a brief interlude from the hon. Member for Woking (Jonathan Lord), who made an enlightening and enjoyable maiden speech. [Hon. Members: "Hear, hear."]

The hon. Member for Angus (Mr Weir), speaking for the Scottish nationalists, stressed concerns about the pressures on a privatised service to reduce the extent of the universal service, and highlighted the particular needs of rural areas, as did many of my hon. Friends. The hon. Member for Southport (Dr Pugh) raised concerns about the future viability of the post office network and stressed the idea that local government and communities need to decide exactly what they want a post office network to do.

My hon. Friend the Member for West Bromwich West (Mr Bailey) has a long tradition of work with the co-operative movement, and he expressed a fundamental philosophical objection to privatisation: the problem of how to square the inevitable drive to make profits and satisfy shareholders with the provision of a service for the public.

The hon. Member for Pendle (Andrew Stephenson) emphasised the problems of the current regulatory regime, and my hon. Friend the Member for Hampstead and Kilburn (Glenda Jackson) emphasised the importance of the post office network for pensioners and the local economy.

[Nia Griffith]

The hon. Member for Warwick and Leamington (Chris White) spoke in support of the proposed employee share scheme, although he was disappointed that only 10% of the stake will be going to such a scheme. My right hon. Friend the Member for Wolverhampton South East (Mr McFadden) explained that if the taxpayer has taken on the burden of the pension deficit, the taxpayer should share in the upside of the transformation of the Royal Mail. He made a compelling case for keeping the majority stake in Royal Mail in public ownership.

My hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) wondered what would happen if a privatised Royal Mail got into financial difficulty, and my hon. Friends the Members for Blaydon (Mr Anderson) and for Middlesbrough South and East Cleveland (Tom Blenkinsop) expressed concerns about job losses, and workers' pay and conditions in the private sector.

We heard speeches in favour of the Bill from the hon. Member for Gloucester (Richard Graham)—who did, however, request a specific list of several actions to be taken—and the hon. Members for Castle Point (Rebecca Harris), for Folkestone and Hythe (Damian Collins) and for Rossendale and Darwen (Jake Berry).

My hon. Friend the Member for Walthamstow (Stella Creasy) was very concerned about how post offices can be made viable with the loss of Royal Mail business, and I now wish to discuss that particular problem. The Bill, as it stands, provides no guarantee of a continuation of a daily delivery of letters six days a week to every home in the United Kingdom. The Bill, which puts Royal Mail entirely into private hands, provides no guarantee that a wholly privatised Royal Mail would continue to use the post office network to provide its counter services. The Bill breaks the historic link between Royal Mail and the post office. In fact, Royal Mail could use a high street chain whose branches are largely confined to town centres. The Bill even proposes the surreal spectre of a post office network without any Post Office services. With the loss of the one third of its income that comes from Royal Mail business, the post office network could see a closure programme on an unprecedented scale.

Perhaps we were supposed to be taken in by this and lured into some false sense of security, but today the Secretary of State announced new investment.

Andrew Griffiths (Burton) (Con): The hon. Lady talks about closures in the post office network on an "unprecedented scale", but could she remind us just how many post offices closed under her Government?

Nia Griffith: I can certainly remind the hon. Gentleman that a viable post office network consists of some 4,000 post offices, and that our Government put in the funding to keep 11,500 post offices open. Not only that, but we guaranteed a £150 million subsidy per year up to 2011, increasing it to £180 million for 2011-12, and designated access criteria to ensure that people would be within a short distance of their local post office, which provided that some 90% of the population would be within a mile of a post office. Without those criteria there would have been wholesale closures before now.

Nick Boles (Grantham and Stamford) (Con): Would the hon. Lady like to tell us the answer to the question asked by my hon. Friend the Member for Burton (Andrew Griffiths)?

Nia Griffith: Perhaps if the hon. Gentleman had been here earlier, he might have heard some information that would have helped him to understand what he has just asked.

Robert Halfon: *rose*—

Nia Griffith: No, I will not give way; I wish to return to discussing today's announcement about the money, because it is important. Of course new investment is to be made and it will build on the investment that the Labour Government put in, but with no guarantee that the Royal Mail will continue to use the post office network, that could be good money wasted. Furthermore, will the Minister please clarify whether this is new money for the Department for Business, Innovation and Skills that was not in last week's comprehensive spending review—or will it lead to cuts in other business spending?

The Secretary of State gave us little insight into when the mutualisation of the post office network might take place, and no detail at all about the nature of the scheme envisaged. Most notably, he completely failed to make a convincing case for the wholesale privatisation of the Royal Mail; nor has any other speaker done so. Labour Members recognise the crucial role that public ownership has in safeguarding the public interest, and in making sure that taxpayers' money is invested for public benefit and not for private profit. For that reason, we oppose the Bill.

6.39 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I start by thanking the hon. Member for Llanelli (Nia Griffith), and all the other hon. Members, for their contribution to today's debate. The quality of the debate is testament to the importance that this House attaches to two of Britain's great institutions: Royal Mail and the Post Office. May I particularly congratulate the hon. Member for Woking (Jonathan Lord) on his maiden speech? He may not be aware of it, but I visited a post office in his constituency to look at one of the pilots for our reforms. Will he send my regards to Mr Patel at the West End post office, who has certainly influenced my thinking?

Both sides of the House recognise the extent to which our constituents value Royal Mail's universal postal service. No one who witnessed the passionate debates over the previous Government's post office closure programme can underestimate how deeply communities across our country feel about their local post offices. That is why the Government feel so strongly about the Bill: we believe that what is at stake is no less than the very survival of the universal postal service and Britain's network of post offices. If we do not reform those two institutions, attract private capital and private sector disciplines into Royal Mail and tackle the underlying economic challenges to the post office network, their future in a digital world of e-mail and internet services is bleak.

Some Members wanted me to blame past management for all Royal Mail's ills. My hon. Friends the Members for Northampton South (Mr Binley) and for Southport (Dr Pugh), in particular, wanted me to criticise the quality of the management in the past. I am not going to take up that kind offer. What I will say is that the current chief executive, who was appointed by this Government—Moya Greene, who came from Canada Post—is an excellent chief executive and is already taking the tough decisions that need to be taken. It is interesting that she and Royal Mail support the Bill. They know that we need to get capital into Royal Mail. They know that it needs to be released from Treasury control.

Mr Binley: Will my hon. Friend correct a mistake that he has made? I asked him to explain how he was going to get the exciting new management into the Post Office to ensure its future, and I did not particularly want him to comment on my criticism of past management.

Mr Davey: My hon. Friend has corrected the record, and I can say that we have that good management with Moya Greene.

The real challenges of the digital world, as the right hon. Member for Wolverhampton South East (Mr McFadden) said, apply to all postal administrations across the world. It is the deep challenges that face Royal Mail and the Post Office that make the position of the Opposition at best incredible and at worst downright irresponsible. They know the problems that Royal Mail faces: the decline in letter volumes as e-mail volumes grow exponentially, the large losses the company has made in recent times, and the incomparably large pension deficit. We know that they know, because just last year they said the same thing, and put a Bill before Parliament to address those very same problems. I have that Bill here—but unfortunately it was not brought down the corridor from the other place for us all to debate in this Chamber. If it had been, the similarities in the Bill would have meant that many of the questions raised in this debate could have been debated then. So, let me address some of the questions that I have been asked.

The hon. Member for Vauxhall talked about foreign ownership. She may remember that when her Government tabled their Bill there was concern on the Labour Benches that TNT and Deutsche Post might buy Royal Mail, so she has an issue to raise. What is often forgotten in this debate is that British investors already own 30% of Deutsche Post. That is the real world: investors invest in good companies.

The hon. Member for Blaydon (Mr Anderson) had worries that the royal associations would somehow be broken as a result of privatisation. The Queen will continue to approve all stamps that bear her image, as she does now. The Royal Mail brand is valuable and we will put safeguards in place against its misuse. We have initiated discussions with the Palace for that very purpose. I should tell the hon. Gentleman, who claimed that more post offices closed under the Conservative Government, that he is wrong. In 18 years of Conservative government fewer post offices closed than in 13 years of Labour government.

Coalition colleagues might be concerned because of the similarities between our Bill and the Labour Bill. They are so similar that we half expected the Labour party to feel duty-bound to support our Bill.

For example, there are almost identical proposals on pensions, except that our proposals are slightly more favourable to Royal Mail employees. The clauses on regulation are also similar, except that our Bill introduces new safeguards for the universal postal service that were strangely absent from the previous Government's Bill. Our Bill rebalances the regulatory framework, putting the universal service and its financial sustainability at its heart.

Those ought to be major areas of agreement, but we did not get that tonight. We heard some bizarre criticisms from Opposition Front Benchers. They said that we are not addressing the problems of the regulatory system, but it is their regulatory system. They do not appear to have read the Bill, because we are making changes to that regulatory system.

The right hon. Member for Wolverhampton South East brought in Ofcom in the previous Government's Bill. It has a duty to reduce unnecessary regulation, which will assist the legislation. The Bill requires cost transparency and accounting separation to deal with many of the regulatory problems that my hon. Friends the Members for Southport and for Pendle (Andrew Stephenson) raised in the debate.

Surprisingly, Opposition Members also raised concerns about the pensions solution. The hon. Member for Vauxhall said that it is possible to achieve a solution on pensions without a sale. It would be irresponsible to ask the taxpayer to take on an £8 billion deficit without securing private capital and disciplines and without transferring future risk from the taxpayer. This is a package deal, which is what Hooper argued for and what we are delivering.

Richard Hooper made it clear that action is needed if we are to secure the future of a universal postal service. His document, "Modernise or Decline", sets out those options. When the hon. Member for Angus (Mr Weir) questioned whether a privatised Royal Mail would threaten the universal service obligation, he was ignoring the evidence put forward by Sir Richard Hooper. I can only think that he has not read the Bill. If he had read it, he would know that it is all about safeguarding the universal postal service of Royal Mail and the Post Office, recognising the particular importance of those services to our rural communities.

The six-day, one-price-goes-anywhere universal service obligation is enshrined on the face of the Bill, but we have not stopped there. The Bill introduces new safeguards to protect that service, ensuring that any future change must be properly debated by Parliament, must retain the uniformity of the service and must take into account the interests of postal service users, which, of course, includes rural communities. The scaremongering of the Scottish nationalists flies in the face of both the facts and the text of the Bill.

Returning to the substance of today's debate, despite our producing a Bill that is better than the previous Government's Bill—better for Royal Mail employees' pensions and better for the protection of the universal service—the Opposition are determined to oppose it. Where are the huge differences that are causing the Opposition such problems? We want to provide Royal Mail employees with shares, so workers can benefit from the prosperous future for Royal Mail that our reforms will enable. The previous Government talked about involving employees, but they argued with the

[Mr Davey]

unions about giving employees shares and then argued with themselves. This Government are united, and we are going to do it through the largest employee share scheme by percentage of shares of any major British privatisation. For the first time ever, I believe, we are mandating an employee share scheme on the face of a Bill. As a member of a party that championed employee share ownership for decades in opposition, I could not be more proud to present this radical measure to the House tonight. I pay special tribute to my hon. Friend the Member for North Norfolk (Norman Lamb), who did so much to develop those issues when we were in opposition.

I also thank my hon. Friend the Member for Warwick and Leamington (Chris White), who explained how important employee share ownership can be in driving productivity. He was concerned that only 10% of shares will go to the employee share scheme, but I can tell him that the Bill refers to "at least 10%". I was pleased by the support for employee shares from my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman). His chairmanship of the all-party group on employee ownership shows that he knows about that area. He raised a constituency case, which I will take up if he writes to me.

Another key difference between Labour's Bill and our Bill is our mutualisation proposal for the Post Office. Sub-postmasters, Post Office employees and communities can all have a say in how their post offices are run. The Co-operative model is a huge example of the big society and something that the old Fabians would have classed as public ownership, but the Labour party is going to vote against the Bill.

Let me clarify the mutualisation proposals for the Opposition, who do not seem to understand what they are all about. Post Office Ltd, the national company that franchises to individual post offices and chains of post offices, would become a mutual if our proposals go ahead. We believe that having a national mutual similar to the Co-op would have many practical benefits and would align the incentives of sub-postmasters with those of the company and their main franchisor. When it comes to modernisation and putting services online, it is important to have aligned incentives.

Malcolm Bruce: Will the Minister give way?

Mr Davey: No, I am sorry.

My hon. Friend the Member for Solihull (Lorely Burt) raised concerns about the conditions for mutualisation. Of course we will have to ensure that there is a viable post office network, otherwise we could not make mutualisation work, so that is one of our conditions. Clause 7 makes it clear that a mutualised post office network would have to be "for the public benefit", so that is also a clear condition.

Despite the fact that our Bill is better for Royal Mail employees, Royal Mail, the Post Office, customers and the taxpayer, the Opposition still oppose it. What is their problem? The right hon. Member for Wolverhampton South East, the former Minister of State for Employment Relations and Postal Affairs, said that it is about ownership but he did not ask the next question: what is the difference between the shareholdings to which the previous Government and this Government were prepared to agree? That principle concerns about 0.2% of the shares—the extra shares that they were not prepared to sell but we are. The sale of those shares will free Royal Mail from Treasury control and will enable it to be the master of its own fate and to invest for the future without coming cap in hand to the taxpayer. New Labour has been dying for some years but with the opposition to this Bill, old Labour has returned. I thought that I would be in danger of being called Red Ed with the bail-out of the pension plan, but the real Red Ed is on the Opposition Benches—ideology before reality, dogma before common sense and, worst of all, vested interest before national interest.

The idea that public ownership has delivered a successful Royal Mail and post office network clearly is not right. Perhaps Opposition Members are aware that Royal Mail shed 65,000 jobs during the 13 years of Labour government, so public ownership did not deliver for workers. Let us consider the experience under privatisation around the world. Since Deutsche Post was floated in 2001, it has seen investment of £11.6 billion. That just will not be possible for Royal Mail if it remains in the public sector, but through our measures, it will become possible.

The right hon. Member for Southampton, Itchen (Mr Denham) made another accusation against the Bill—it would lead to post office closures. What a cheek! Ten post offices closed in his constituency under the previous Labour Government and about 5,000 post offices were shut in total. As so many colleagues have made clear throughout this debate, Labour is the party of post office closures. This Government will not make those same errors. That is why my right hon. Friend the Business Secretary today announced our £1.34 billion investment programme for the post office network. That money will not pay for a closure programme—we will not throw money down the drain as Labour did—but it will bring a lasting change to the network and will tackle the underlying economic issues it faces. That is why the right hon. Gentleman and his colleagues will see, when we make our full statement on policy for the post office network shortly, a Government working as one—joined-up government is what they used to call it.

Mr Denham: We look forward to hearing the more detailed statement. Will the Minister confirm that his Department suffered one of the largest departmental cuts in last week's comprehensive spending review—25% of revenue and 50% of capital? Will he also confirm that the money announced today will come from that same pot of money? What other cuts that he has not yet announced will be made in BIS to finance it?

Mr Davey: Unlike the hon. Gentleman's Government, we do not wish up new pots of money left, right and centre. Of course it is in the BIS settlement.

The Opposition made much of one point tonight. Apart from their ideological contortions over ownership, they have tried to suggest that separating Royal Mail from the Post Office will somehow be the catalyst for post office closures. Let me explain why they are wrong.

First, a privately owned Royal Mail will not act against its own commercial interests. It will not give up valued retail space in the heart of communities the length and breadth of Britain, creating a vacuum that

its competitors would gratefully fill. To think otherwise one would have to be living on Planet Consignia. Have Members heard of Planet Consignia? It is where the previous Government once tried to place Royal Mail. This Government, along with most people in Britain, understand the value and tradition of royalty, and will not make such daft mistakes.

Secondly, Royal Mail has made it clear that the current long-term commercial contract between Royal Mail and post offices will continue. Only this week, the chief executive of Royal Mail, Moya Greene, told me that

"the support that the Government is giving to Post Offices Ltd should mean that the Post Office should become an even stronger retail channel for Royal Mail."

She went on to say that it was "unthinkable" that there would not be a strong relationship between the Post Office and Royal Mail in the future.

Thirdly, if the Opposition are seriously saying the Government should write into the Bill that there should be a statutory permanent contractual relationship between Royal Mail and the Post Office, they would be risking not only a legal challenge from competitors, but setting the Post Office in aspic. Do they not realise that as Royal Mail's letter volumes decline, so too will the mail business for the Post Office, so it needs to be given the opportunity to build new revenues? Do they not realise that new sources of revenue will be critical if we are to achieve a financially viable post office network?

I have a confession. I am a postal anorak. Before having the honour of being elected to the House in 1997, I was a management consultant and I specialised in postal companies. I worked on projects for Royal Mail's equivalents in Taiwan, South Africa, Belgium and Sweden. Although I co-authored a report for the US Postal Service to put to Congress on the commercialisation and liberalisation of postal companies and markets around the world, I have to disappoint the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Gregg McClymont); I never worked on a privatisation programme—*[Interruption.]* Regrettably. Back then, in 1997—*[Interruption.]*

Mr Deputy Speaker (Mr Nigel Evans): Order. I cannot hear the Minister, which means that the House cannot hear him either. The Minister must be heard.

Mr Davey: In 1997, Royal Mail was a company that could hold its own with most postal administrations around the world. It needed reform and it needed investment, but it was not balance sheet insolvent or loss-making and it was not as fragile as it is today.

Mr Deputy Speaker, what happened between 1997 and 2010? I will tell you. There was dereliction of duty by the Labour Government, on a massive scale. There were post office closures, lack of investment in Royal Mail and the pension deficit ballooned.

This Government will not shirk our responsibilities. We will take the tough decisions. We will invest in the Post Office. We will free Royal Mail for the investment it needs. I commend the Bill to the House.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 321, Noes 238.

Division No. 102] **[6.58 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver

Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollinghery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, Sir Peter
Thurso, John
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Zahawi, Nadhim

Tellers for the Ayes:
Jeremy Wright and
Mr Brooks Newmark

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davidson, Mr Ian
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul

Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Phil Wilson and
Angela Smith

Question accordingly agreed to.

Bill read a Second time.

POSTAL SERVICES BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the following provisions shall apply to the Postal Services Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 9 December 2010.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed. *(Mr Newmark.)*

Question agreed to.

POSTAL SERVICES BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing order No. 52(1)(a)).

That, for the purposes of any Act resulting from the Postal Services Bill, it is expedient to authorise the payment out of money provided by Parliament of

(1) expenditure in connection with the provision of benefits under the Royal Mail Pension Plan,

(2) other expenditure incurred by a Minister of the Crown by virtue of the Act,

(3) expenditure incurred by the Postal Services Commission by virtue of the Act,

and

(4) any increase attributable to the Act in the sums payable under any other Act out of money so provided. *(Mr Newmark.)*

Question agreed to.

POSTAL SERVICES BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing order No. 52(1)(a)).

That, for the purposes of any Act resulting from the Postal Services Bill, it is expedient to authorise

(1) the imposition of charges to corporation tax and stamp duty land tax in connection with the restructuring of the Royal Mail group.

(2) the making of provision in connection with the restructuring of the Royal Mail Pension Plan,

(3) the imposition of charges on providers of postal services and users of such services by the Office of Communications, and

(4) the payment of sums into the Consolidated Fund.—*(Mr Newmark.)*

Question agreed to.

Suicide and Self-harm in a Recession

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Newmark.)*

7.15 pm

Mrs Madeleine Moon (Bridgend) (Lab): I am grateful for the opportunity to raise this important issue. In the past few months, the House has debated public spending cuts, job losses and the scaling back of services, but the human and personal costs are often forgotten among the facts, figures and policies, with a profound and tragic impact on individual lives and families.

When people take their own lives and self-harm, their reasons are complex and often individual, but running through too many incidents are worries about money and debt, the loss of status and esteem often associated with unemployment, and fears about a house or job loss. The increases in personal debt, bankruptcy, homelessness and unemployment that can follow can substantially increase the incidence of suicide and self-harm. A survey for Mind this year showed that one in 10 workers had approached their GP as a direct result of the recession, mostly for depression.

The points that I wish to make this evening are drawn from papers written by academics working in a range of institutions, including the universities of Bristol, Oxford and Manchester, which have departments focusing on suicide and its prevention. I am also indebted to the tremendous work of the Samaritans and the Royal College of Psychiatrists. The academic community draws on research on the effect of recession on cultures across Europe, as well as those in east and south-east Asia, Australia, America and elsewhere. The data go back to the great depression of the 1930s and are right up to date.

The steps that I will urge the Government to take are recommended by leading experts in the causes and prevention of suicide and self-harm. I thank those experts not only for their support and access to their research, which has helped me to prepare for the debate, but for their dedication and commitment to preventing self-harm and saving lives.

Self-harm includes intentional acts of self-poisoning or self-injury, irrespective of the motivation or the degree of suicidal intent. It includes suicide attempts as well as acts in which little or no suicidal intent is involved, such as when people harm themselves as a form of interpersonal communication of distress, to reduce internal tension or to punish themselves.

The Royal College of Psychiatrists points out in its report "Self-harm, suicide and risk: helping people who self-harm" that the incidence of self-harm has continued to rise in the UK over the past 20 years. For young people, the rate here in the UK is said to be the highest in Europe. The RCP points out that

> "the needs, care, well-being and individual human dilemma of the person who harms themselves should be at the heart of what we as clinicians do. Public health policy has a vital role to play and psychiatrists must be involved and not leave these crucial political and managerial decisions to those who are not professionally equipped to appreciate the complexities of self-harm and suicide."

It goes on to point out that

> "we must never forget that we are not just dealing with social phenomena but with people who are often at, and beyond the limit of what they can emotionally endure."

Research has shown clearly that economic cycles give a clear indication of suicidal trends, and recession has been shown to be accompanied by an increase in suicide rates across the world. Falling stock prices, increased bankruptcies, and housing insecurities including evictions, the anticipated loss of a home and higher interest rates are all associated with increased suicide risk. Study has shown that being in debt is associated with mental health problems and suicide ideation, which contribute to someone taking their life.

We know that the unemployed are two to three times more likely to die by suicide than people in employment. Unemployed men are particularly at risk. Unemployment can result in poorer mental health and contribute to anxiety, depression, low self-esteem and feelings of hopelessness, all of which increase the likelihood that someone will think that their life is no longer worth living.

For those who have no history of mental health problems, there is a 70% increase in suicide risk if they are unemployed. The great depression of the '20s and '30s resulted in a steep increase in male suicides. The people most at risk of suicide are those who are experiencing financial problems, those in poverty, those struggling with the rising cost of living, those who have recently lost their jobs or who are affected by a downturn in business, those who are in low-status occupations, and those with existing mental health problems. People who are self-employed or who live in single-person households, those experiencing relationship breakdowns, and those who are isolated and without strong social networks are also particularly at risk.

Initially, people often turn to drugs and alcohol to mitigate the emotional pain and confusion that they feel. Some argue that improving access to psychological therapies is the best way of helping those who suffer from mental health problems as a result of the recession. Treatments such as cognitive behavioural therapies can benefit people, but as Professor Drinkwater of the university of Bristol has made clear,

"unless you do something about the environment in which they live they are...likely to relapse. Without real jobs, decent housing, and adequate incomes people are going to be at risk of becoming ill again".

Andrew Stephenson (Pendle) (Con): I congratulate the hon. Lady on securing this important debate. In addition to what she says, I suggest that businesses have a role to play. In Nelson in my constituency, six deaths in the past six years resulted from people falling from a multi-storey car park by the Pendle Rise shopping centre. Despite that, when Pendle borough council proposed new safety measures in July last years, the car park owners refused to support such measures, saying that town hall chiefs were "wasting their money" because people with a desire to commit suicide would always "find a way". Does she agree that such an attitude from certain businessmen is completely unacceptable?

Mrs Moon: Anyone who can take any step to turn someone away for that brief moment in which they might think again should do so. I agree with the hon. Gentleman that whatever barriers are needed in that car park should be in place, and I thank him for his intervention.

I would direct the Minister to research carried out by Professor David Gunnell et al on the effect of the economic crisis in east and south-east Asia in the 1990s, to recent work by Professor Keith Hawton, David Platt and Camilla Haw, and to the work of Professor Purkis and the steps taken in Australia to deal with, and indeed to reduce, suicide in a recession.

There is broad agreement in academia, psychiatry and mental health charities on what steps need to be taken to reduce suicide and the effect of a recession on suicide and self-harm rates. Suicide prevention must remain a priority of public health policy in all countries in the UK. There should be structures at national, regional and local level and mechanisms for the flow of information, evaluation and best practice in reducing suicide and self-harm. That best practice must be known, shared and implemented. It is essential that research into what works and why people are taking their own lives be funded.

The current national suicide prevention strategy for England is coming to an end. I urge the Government to ensure that this work continues to be funded and taken forward. Overseeing and administering the strategy, including issuing annual reports, costs very little, but the potential cost-effectiveness of continuing it is enormous. It is important that the strategy should help to ensure a continued focus on all those working in the field. The Samaritans and the Royal College of Psychiatrists stress the need for all people attending accident and emergency departments, as well as those admitted to hospital following incidents of self-harm or attempted suicide, to be referred to trained mental health professionals and sources of help. It is sad to say that many people—especially those who self-harm—are seen as attention-seeking, and do not get the help and support that they need. They do not get onward referrals, and instead return again and again. The risk of their self-harming becoming suicide ideation and suicide is very high. It is critical to ensure that people receive the help and support that they need, once they take that first step of approaching A and E.

Mental health needs in general, and a specific strategy to prevent suicide and self-harm in particular, should form a central part of the upcoming White Paper on public health. I would be grateful if the Minister confirmed that that will be the case. In addition to those facing unemployment and debt, or relationship problems, the needs of those at particular risk—they include asylum seekers, those in minority ethnic groups, those in institutional care, sexual minorities, veterans and those bereaved by suicide—should be actively addressed as part of the strategy.

I call on the Government to establish a UK-wide forum to bring together agencies from the four nations that are involved in suicide prevention policy, research and practice, to help us formulate a way forward through the difficult years ahead. The Departments responsible for public health in each of the four Administrations must lead a cross-departmental strategy to raise awareness of self-harm and ensure that front-line staff in education, social work, prisons, Jobcentre Plus, the police and other relevant agencies receive appropriate training in dealing with self-harm and those at risk of suicide.

Included in such a strategy should be the monitoring of harmful internet sites that encourage or incite suicide and self-harm. I would like to pay my personal thanks to my hon. Friend the Member for Garston and Halewood (Maria Eagle) for her help in taking that issue forward in the Coroners and Justice Act 2009. However, we now urgently need to address the legal status of those sites

[Mrs Moon]

on a European level, so that we can increase our control over them and prevent them from reaching out and damaging the lives of people across the UK. It is important that Government websites, including the NHS Direct and Department of Health sites, should include authoritative, accessible and user-friendly information on the help and support available both to those who self-harm or who are contemplating taking their own lives, and to their friends and their family.

The NHS has a guide, entitled "Help is at Hand: A resource for people bereaved by suicide and other sudden, traumatic death". That excellent guide, which could possibly be updated and reviewed, gives advice for those who are suddenly bereaved. It is an excellent example of the kind of information that should be available. Unfortunately, not enough front-line staff know about it, so the information is not getting to those who need it. Services coming into contact with those who have been bereaved by suicide should know about the document and be able to distribute it. It is vital to ensure that GPs' surgeries, the police, social workers and coroners have access to it, and that families receive it.

Professors Gunnell, Platt and Hawton, in an article recently published in the *British Medical Journal*, stress the importance of social policy measures to create new jobs, of adequate welfare benefits for unemployed people, and of the provision of alternatives to early entry into the labour market, especially for young people, such as increasing the number of university places. It is important to give people a sense of hope. They also argue that employers and trade unions must be mindful of the potential risk to mental health of redundancy, and that workers should be given the help and support that they need.

I was pleased by the help and support that I received from the former Member for South Dorset to ensure that front-line Jobcentre Plus staff had access to support and training to give them an understanding of mental health needs, and of the risk to the mental health and emotional stability of those who had newly been made redundant or become unemployed. I should like to know whether that help, support and training will continue to be available to Jobcentre Plus staff.

In concluding my remarks, I want to stress that most people who lose their jobs, their homes or their businesses in a recession do not commit suicide or self-harm, but we must be aware of the increased risk in the current economic climate. This must be addressed by the Government. I am aware that new figures are coming out tomorrow, and I look forward to seeing whether the tremendous reduction in suicides in this country is continuing. I fear that perhaps it is not.

I also encourage the Government to enter discussions with the media on the reporting of suicides, to prevent the potential for social contagion. In the past few years, many of the national newspapers have become much more aware of what they are doing when they report such cases. I do not wish to criticise, but it is important, in a recession, that we do not exaggerate or even raise the link between the loss of a job and a death. I believe that the Government could take a lead in that area.

I would also ask all Ministers, when looking at policy, to bear in mind the emotional devastation and exhaustion that drives a person to suicide, and the enormous loss for friends and family, and to avoid trivialising that pain and despair as the Secretary of State for Transport, the right hon. Member for Runnymede and Weybridge (Mr Hammond) did in a recent article on train delays. I do not want to see that repeated.

It has been my aim in this debate to raise awareness, and to concentrate focus across government on the potential consequences of policy decisions if they are not mitigated by the help and support recommended by the Royal College of Psychiatrists, leading academic researchers and voluntary agencies working in this field. Finally, I invite the Minister to attend a meeting of the all-party parliamentary group on suicide and self-harm prevention, to discuss what the Government are going to do to reduce suicide and self-harm, so that we can engage and work together to reduce the incidence of such terrible loss and damage.

7.33 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate the hon. Member for Bridgend (Mrs Moon) on securing the debate. I want to pay tribute to her, and to thank her for the work that she does in leading the all-party group on suicide and self-harm prevention. Her name sticks in my mind because, when I first became a Minister, I answered many questions that she had tabled on these issues. When I saw that she had secured this debate, I was conscious that she had been pursuing this matter vigorously and diligently for many a year. She brings that important issue to the House's attention tonight. The fact that she has constituency experience of the matter, given the tragedies that have taken place there in recent years, lends added weight to her argument.

The hon. Lady was right to bring us back to the personal stories behind the statistics, and to recognise that, while strategies are important, they offer little consolation to those who are affected personally and directly by suicide and self-harm. She rightly paid tribute to the work of the Samaritans and other organisations. She was also right to highlight the need to share best practice and research; I entirely subscribe to that view.

There is plenty of evidence across the world that in times of recession and high unemployment, rates of mental illness and suicide tend to rise. In this country, Office for National Statistics figures tell us that suicides rose 6% between 2007 and 2008 when the recession began to bite. Tomorrow, as the hon. Lady said, the Department of Health publishes its "Mortality Monitoring Bulletin", updated to include the data for 2009. I am unable to share it with the House now, but it will be in the public domain then. This will include new information on suicide rates, giving us the full picture of how the course of the recession affected the nation's public health. The figures illustrate in the most dramatic way the human tragedies that took place in the economic downturn.

We now need to ensure that economic recovery is matched by psychological recovery from a long and painful recession. The 2010 Legatum Institute's report, published earlier this week, showed that there is plenty of work to do. It gave a salutary warning that in terms of happiness and the general well-being of our fellow citizens, the UK is sorely lacking compared with other countries. In our services, too, across society, we have to

ensure that we start valuing GWB, or general well-being, as highly as we do GDP. Specifically, as the hon. Lady argues, we must do everything we can to return to the pattern of declining suicide rates that we saw for most of the last decade.

To help us do so, I can first confirm for the hon. Lady that we will publish a new suicide prevention strategy in the new year. As the old strategy comes to an end, we need to update it and make sure that it is fit for purpose. We will certainly take into account the points she has made. I will want to look at the studies to which she referred and ensure that suicide prevention is referenced in the forthcoming mental health strategy, too.

The new prevention strategy for suicide will include new measures, particularly those to support high-risk groups. I will ask officials to discuss the hon. Lady's suggestion of how best to collaborate with the devolved Administrations to ensure that we share learning and best practice across the countries. The strategy will also look at how we can restrict access to some of the methods people use to self-harm or commit suicide. The hon. Member for Pendle (Andrew Stephenson), who talked about a particular constituency example, illustrates why we need to erect barriers, quite literally, to deal with suicide hotspots. I am shocked and appalled by the attitude that the business in his constituency adopted to that necessary investment in prevention. The strategy will also involve working with all forms of media to ensure that we get responsible reporting to prevent copycat suicides.

Let me say something about the issues raised about the internet and how it can be used to promote suicide and provide information about methods. There is now greater clarity in the law. Section 59 of the Coroners and Justice Act 2009 simplified and modernised the law on encouraging or assisting suicide by online means. The Government continue to work with internet service providers through the UK Council for Child Internet Safety to remove harmful or illegal content. We continue to work with search engine providers, encouraging them to link only to appropriate, supportive websites when somebody uses "suicide" as a search term.

There is clearly a difficulty in how to strike the balance correctly, which does not really lend itself to arbitrary Government action. Banning all discussions and content on suicides from sites popular with young people risks driving them to parts of the internet that are far less safe and certainly not moderated, so more harm could be done. There is a need to update existing guidance, and we plan to publish updated guidance for technology providers to keep children safe online. We expect internet providers to follow that advice and remove harmful content as quickly as possible. I will certainly look at the hon. Lady's points about the provision of helpful advice on the Department of Health and associated websites.

Andrew Percy (Brigg and Goole) (Con): If the organisations that we are trying to get to remove content refuse to do so, will the Minister name and shame them?

Paul Burstow: I will certainly consider that, and we will discuss with colleagues across Government the approach and tone we should adopt with ISPs.

In reducing suicides, we have a specific focus on the health service, but we need a much broader programme of work across Government to improve general well-being while ensuring that the right services are in place for people who experience mental illness.

Everything that we know about the pattern of suicide rates demands a twin-track approach covering both clinical and societal issues. On the clinical side, we will do more to ensure that the NHS gives people the support that they need, and a new outcomes framework should make clear that the NHS must give mental health services the same priority as physical health services. There should be no difference in the esteem that we attach to those services. That approach will help us to shift cultures and priorities, ensuring that accident and emergency and hospital staff are trained to deal with self-harm or other indications of poor mental health, and are able to refer patients to the appropriate services rather than creating the revolving door to which the hon. Lady referred. GPs also need to be properly trained to help them to identify those at risk of suicide, and to provide appropriate drug treatment and psychological support in line with National Institute for Health and Clinical Excellence guidelines.

The hon. Lady was right to say that talking therapies are a critical part of the onward journey for those at risk. In 2009, the last Government initiated the Improving Access to Psychological Therapies programme. Where they exist, IAPT services work extremely well, but coverage around the country is still patchy. Earlier this year, I was able to announce additional investment of £70 million in the current financial year to ensure that we could continue the roll-out of IAPT, in order to deliver a commitment in the coalition programme. I am pleased that the Chancellor confirmed last week that we are now committed to investing more additional resources to allow the continuing expansion of IAPT up to 2014, including its extension to cover people of all ages rather than just those of working age.

However, we must not over-medicalise what is also a social and cultural issue. The Foresight report from the Office of Science shows that mental health problems are closely linked to a range of social problems. Debt and unemployment are key triggers for suicide, as are social isolation, family breakdown and substance misuse. Those are best addressed and best prevented in the community, not in the clinic. In developing our new mental health strategy, we will also consider how we can change cultures and develop resilience and relationships in communities to prevent mental illness and suicides.

We will, for instance, target those with alcohol or drug problems, and create better links between treatment services and mental health services. We will support vulnerable families by providing more health visitors and family nurse partnerships to give children the stable upbringings that provide a basis for good mental health in later life. We will also address the stigma associated with mental illness. It is that stigma—that reluctance to express emotions and accept help, advice and support, especially among men—that can be such a serious cause of the problems in our mental health services and, ultimately, even a cause of suicides. We also need to harness the expertise and experience of the third sector and voluntary groups to create local grass-roots plans and action to support better public mental health.

[Paul Burstow]

One of the biggest priorities will be returning more people with mental health problems to employment. We know that long-term unemployment has a hugely corrosive effect on a person's mental health. Those who are unemployed for an extended period are 35 times more likely to commit suicide than those in stable employment. The sad legacy of the last decade has been the huge rise in the number of people trapped on benefits, along with all the damage that that does to a person's self-esteem and self-worth.

We will build on the good links that have been established in some areas between IAPT and employment services. Many primary care trusts are already making connections with their local Jobcentre Plus, and I want to ensure that such relationships are formed in all IAPT centres as the roll-out continues. However, we also need businesses and organisations to invest in the good mental health of their staff, particularly during times of anxiety and change. Research shows that employers who invest in staff well-being receive a ninefold return on their investment in terms of increased productivity and reduced sickness absence. We want to drive that message home in the context of the employers' occupational health responsibilities.

The human effect of dealing with the deficit crisis is not something that the Government can take lightly. I know that many in the public sector will be feeling anxious and concerned as a result of the spending review, and that demands the utmost vigilance from us in our support for people's mental health in the months and years ahead. We are committed to mending the psychological as well as the economic scars of the past recession, improving mental health services, promoting greater community resilience to mental illness, and doing much more to help unemployed people regain their confidence and return to work.

I am grateful to the hon. Lady for securing the debate, and for the leadership that she provides in this regard. I hope that we shall be able to deliver the changes that we all want to see, and ensure that we have good-quality mental health in this country.

Question put and agreed to.

7.44 pm

House adjourned.

House of Commons

Thursday 28 October 2010

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Severn Bridges (Tolls)

1. **Jessica Morden** (Newport East) (Lab): What recent representations he has received on the method of payment of tolls on the Severn bridges; and if he will make a statement. [19912]

The Minister of State, Department for Transport (Mrs Theresa Villiers): The Department for Transport has recently received representations from the Wales Office about the method of payment on the Severn bridges. The Secretary of State has met the Deputy First Minister, and payment methods at the Severn crossings were discussed.

Jessica Morden: The facility enabling people to pay with credit and debit cards—for which I was grateful—was introduced in time for the Ryder cup, only to be whisked away again the minute the event was over. That has caused confusion. My constituents would like to pay by modern methods, which is fair enough. Can the Minister assure me that an end to the situation is in sight?

Mrs Villiers: I can. I know that a long-running campaign has been conducted by a number of Members.

As the hon. Lady says, the system was introduced for the Ryder cup. We considered it important to meet the deadline, given the significance of the event. The temporary scheme has been withdrawn for the moment, but is due to be back in operation on Friday next week. That gives us a chance to do some more work in order to make it more efficient, but there will be further work to make it more efficient still. We hope to introduce a system in the new year that will not require PINs. The temporary system does require them, and that causes delays and adds to congestion.

Rail Network

2. **Peter Aldous** (Waveney) (Con): What steps he is taking to ensure the economic sustainability of the rail network. [19913]

5. **Iain Stewart** (Milton Keynes South) (Con): What steps he is taking to ensure the economic sustainability of the rail network. [19916]

10. **Jake Berry** (Rossendale and Darwen) (Con): What steps he is taking to ensure the economic sustainability of the rail network. [19921]

12. **Karl McCartney** (Lincoln) (Con): What steps he is taking to ensure the economic sustainability of the rail network. [19923]

The Secretary of State for Transport (Mr Philip Hammond): Recent estimates by the Office of Rail Regulation suggest that the UK railway has costs up to 40% higher than comparable European railways. To secure a fair deal for passengers and taxpayers in the medium term, we must get the cost base of the railway under control. The Rail Value for Money study led by Sir Roy McNulty will report in the spring, and the Government will then respond to its recommendations.

We have recently completed a consultation on passenger rail franchising, and will publish our response in due course.

Peter Aldous: The East Suffolk line has a vital role to play in helping to bring jobs to the east Suffolk and Waveney area. Can the Minister confirm that that will be taken into account when investment decisions are made?

Mr Hammond: I think that my hon. Friend is referring to the so-called Beccles loop, a scheme currently being developed by Network Rail whose implementation is planned for December 2012. Network Rail is expecting a £1 million contribution from Suffolk county council. Subject to that, funds are available for the scheme, and it is expected to proceed on schedule.

Iain Stewart: I welcome the Government's commitment to major rail infrastructure projects between our major cities, but does my right hon. Friend agree that the long-term sustainability of our rail network can be enhanced by smaller projects such as the completion of the east-west rail link between Bletchley and Oxford?

Mr Hammond: I entirely agree. When I surveyed the proposed route of the high-speed railway a few weeks ago, I had an opportunity to examine the alignment of the proposed link. We will shortly begin discussions about the programme of enhancements that the Government wish to secure for the next railway control period, which will begin in 2014-15, and I am sure that the project mentioned by my hon. Friend will be one of those that will be considered carefully.

Jake Berry: The Rossendale to Manchester rail link is vital to economic development in Rossendale. Will the Secretary of State agree to meet representatives of the East Lancashire heritage railway board to explore ways of upgrading this heritage line to a commuter link?

Mr Hammond: I agree that good transport links with Manchester are vital to the regeneration and economic success of my hon. Friend's area. I know that the local authorities in the area, together with Greater Manchester passenger transport executive, have been working on a

scheme, for which the local sustainable transport fund that we have announced—or, alternatively, the regional growth fund—may be a potential source of funds. However, I or one of my colleagues would be happy to meet my hon. Friend.

Karl McCartney: With regard to the economic sustainability of the rail network, particularly in my constituency of Lincoln, does my right hon. Friend believe that it would be helpful and desirable for Network Rail to act more reasonably and wisely in its economic modelling, and to reconsider its proposal to close the level crossings in our city, including the one that dissects the high street, for over 40 minutes in every daylight hour, a proposal that will decimate my constituency's economy and the wider economy of Lincolnshire?

Mr Hammond: I am grateful to my hon. Friend for that question. I am aware of the impact that the level crossing in Lincoln has on the life of the town. Indeed, I have a similar situation in my constituency. There is an issue about the way scarce and valuable time on level crossings is divided between the railway and the road user. That must be informed by some proper cost-benefit analysis. The good news is that some new barrier technology is under assessment, which might help us, through a technical solution, to reduce the amount of barrier-down time necessary.

Miss Anne Begg (Aberdeen South) (Lab): If the railways are to be economically sustainable, passengers have to be able to get through the stations and on to the trains, and many disabled people still cannot access large numbers of stations and trains are still inaccessible. The Government have decided to abolish the Disabled Persons Transport Advisory Committee. What process will be put in place instead to ensure that the good work that has been done to improve access is not lost and that we do not go backwards?

Mr Hammond: I welcome the hon. Lady's question. The decision to abolish the DPTAC was taken because disability issues have been mainstreamed into the Department's assessment processes and disability factors are brought into the advanced planning of programmes at all stages. As she will know, there is a rolling programme of improving access at stations, which Network Rail is funded to deliver. That programme will continue through this control period and into the next.

Alison McGovern (Wirral South) (Lab): I speak regularly to businesses in Wirral, which tell me that they benefit greatly from the improvements to the west coast main line driven forward by the previous Government, but they are extremely fearful of ticket prices going up by RPI plus 3%—excruciating rises at this fragile economic time. What can the Minister say in response to those concerns?

Mr Hammond: As I said in my opening remarks, we have a problem with the cost base of our railway and in the medium term there is no doubt that the challenge for us is to get that cost base under control, so that we can ease the pressure on passengers and at the same time ease the pressure on taxpayers. However, in the short term, the decision that had to be taken was simple: do we go ahead with investment in additional rail vehicles to ease overcrowding and improve the passenger experience or do we not? We have taken the decision that investing for the long term is the right answer for the United Kingdom economy.

Maria Eagle (Garston and Halewood) (Lab): It is good to be facing the right hon. Gentleman across the Dispatch Box for our first Transport questions. He again spent the last week all over the media, from "Newsnight" to "The Daily Politics", pretending to be Chief Secretary to the Treasury, so I apologise to him for dragging him back to his day job. Why did he tell *The Times* that fares would rise by 10% over the spending review period when commuters are actually facing a hike in fares of 30% plus?

Mr Hammond: I welcome the hon. Lady to her place. Perhaps I cannot tell her and her sister apart and that is why I was responding to the shadow Chief Secretary earlier this week. She refers to a quote. On my arithmetic, RPI plus 3% for the last three years of the spending review period, with RPI plus 1% for next year equates to a 10% real-terms increase in the regulated average fare over the period of the spending review.

Maria Eagle: I have the quote in front of me. The right hon. Gentleman used a figure. He said this; it is in quotation marks, so he can tell me if he was wrongly quoted:

"If you are paying £1,000 for your season ticket now, it could cost you £1,100 at the end of the period".

That is not saying that it is a real-terms increase of 10%. That is saying that it is an increase of 10% in total. His Government's own Office for Budget Responsibility predicts inflation of at least 3.2% from 2012. That will mean a rise of at least 6.2% a year, meaning that by 2014, fares will rise by over 30%. I would have expected better standards of arithmetic from someone who would rather be in the Treasury.

Let me try the right hon. Gentleman on another question. Why has he scrapped the cap on individual fares that we introduced? Does he understand that that will mean many fares rising by more than the 3% above inflation that he has allowed? Therefore, for the sake of hard-pressed rail users, who are already struggling thanks to other measures that the Government are taking, will he now abandon that stealth tax on commuters?

Several hon. Members *rose*—

Mr Speaker: Order. This is the hon. Lady's debut. In future, questions must be shorter.

Mr Hammond: I think Members will understand that what matters is the real-terms increase in fares, and that is what I was referring to.

The hon. Lady asked about the average fare cap. She talks as if in the past rail companies were restricted on individual fares. That is not the case. There was always a basket approach until this year—strangely enough, a general election year. For this year only, the previous Government announced that that system would be abolished and that companies would be limited on individual fares. We have gone back to the basket system because it provides the freedom to respond.

Maria Eagle: It's a stealth tax.

Mr Hammond: It is not a stealth tax because companies are only allowed to increase regulated fares by a weighted average of 1% above RPI in the coming year across all the regulated fare pool.

Local Transport Funding

3. **Kerry McCarthy** (Bristol East) (Lab): What assessment he has made of the likely effects on local transport schemes of the implementation of the proposed reduction in funding for local government resource grants. [19914]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): The majority of transport resource funding will now be paid through formula grant. It is for local authorities to decide how that funding is spent according to their priorities. As the Secretary of State mentioned a few moments ago, I am also establishing a local sustainable transport fund to help local authorities support economic growth and reduce carbon emissions.

Kerry McCarthy: I thank the Minister for that answer. The Government's growth strategy is based on wildly over-optimistic predictions for private sector job creation. How does the Minister think a 28% cut in local government transport funding, the end to ring-fencing across local government funding in general and putting on ice the bus rapid transit scheme will help a city like Bristol, which is plagued by congestion and a lack of transport infrastructure?

Norman Baker: I hardly know where to start with that question. The fact is that 300,000 jobs have been created in the private sector in the last three months. It does not help the economy if Members talk it down as the hon. Lady does. It is also not true that the bus rapid transit system in Bristol has been put on ice. The section from Ashton Vale to Temple Meads in Bristol city centre is in the development pool and the south Bristol link phases 1 and 2 are in the pre-qualification pool. I hope very much that Bristol city council will work on those schemes in conjunction with my Department.

Mr Adrian Sanders (Torbay) (LD): Given this week's disappointing news for south Devon of the Kingskerswell bypass being put into the pool rather than being approved after a 50-year campaign for it, might the local authority be able to reduce the cost of it by taking advantage of tax increment financing and regional growth funding? Will local councils be able to use them to help meet the costs of such important road schemes?

Norman Baker: I know that my hon. Friend is very keen on this scheme, and that he and other local Members have campaigned strongly in favour of it. We are certainly open to innovative ideas to find alternative funding, whether through the regional growth fund or the incremental system to which he referred, and I look forward to examining those options with his local county council.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): In recent years a combination of local schemes and national action has resulted in a very significant reduction in the number of people killed or seriously injured on our roads. Has any assessment been made of the implications of the cut in local funding for the lives of people on our roads?

Norman Baker: The hon. Lady has considerable knowledge of transport issues as a result of her role on the Transport Committee, and I think she understands that what the Government are doing is freeing up local councils to spend their own money rather than determining the number of grant streams centrally. There have been 26 grant streams for transport funding for local authorities, but that will be reduced to four. That will enable local authorities to prioritise matters in their own areas, as they should do as democratically elected bodies.

Andrew Percy (Brigg and Goole) (Con): The A160 scheme has enjoyed the support of local government in north Lincolnshire, but it has now been delayed until 2015. Will the Minister meet me and a cross-party delegation of local MPs to discuss this important scheme in more detail?

Norman Baker: It is my practice always to accede to requests for meetings from Members of Parliament, so I will ask my office to fix that up.

Bus Service Operators Grant

4. **Mr Stephen Hepburn** (Jarrow) (Lab): What his policy is on the future of the bus service operators grant; and if he will make a statement. [19915]

13. **Alex Cunningham** (Stockton North) (Lab): What assessment he has made of the likely effects on socially excluded groups of the proposed reduction in bus service operators grant. [19924]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): From 2012-13, the rate at which bus service operators grant is paid will be reduced by 20%. Our assessment is that this level of reduction will, overall, have a low impact on socially excluded groups. I spoke to the Confederation of Passenger Transport UK, which represents the bus industry, following the Chancellor's announcement on 20 October. It was hopeful that, in general, this reduction could be absorbed without fares having to rise.

Mr Hepburn: That is absolute nonsense. The pensioners and the poor people of this country did not create the banking crisis, so why are the Government making them pay with cuts such as this, which will inevitably mean rises in fares and reductions in services?

Norman Baker: With respect to the hon. Gentleman, I do not think that he heard the answer I gave, which was that I have spoken to the Confederation of Passenger Transport UK, which represents the bus industry, and it was hopeful that the reduction in the bus service operators grant was marginal and could be absorbed without fares having to rise. I also draw to his attention the fact that the Government have protected the concessionary fares arrangements.

Alex Cunningham: My constituent, David Gordon, has told me that he values his bus service, which has improved considerably in recent years, very highly, but

he is worried about its future. Many others depend on the buses to get to work or to search for work across Teesside and beyond. Can the Minister reassure Mr Gordon that bus services really will be protected and that those seeking work and other excluded groups will be able to follow the advice of the Secretary of State for Work and Pensions and get on a bus in their area to look for work?

Norman Baker: The hon. Gentleman will know that the Tees Valley bus network's improvement scheme is going ahead. The Government have confirmed that only recently, so I hope he will welcome that particular suggestion. It is our intention to get more people on to buses, and we are working with local authorities and the bus industry to achieve that—for example, by the roll-out of smart ticketing. So, yes, his constituents will be able to get on a bus; in fact, there will be even more buses than previously.

Andrew Bridgen (North West Leicestershire) (Con): How does the Minister propose that the local sustainable transport fund will fill the boots of resource grants, with the funding reduced now, especially in counties such as Leicestershire?

Norman Baker: The local sustainable transport fund is a fund of £560 million during the rest of this Parliament. By anybody's standards, that is an enormous sum to spend on prioritising local transport, cycling, walking, bus services—if that is what local authorities want to do—bus lanes and other such traffic management matters. I would have hoped that the hon. Gentleman would welcome that commitment by the Government; it is an enormous sum for those particular objectives.

Andrew Gwynne (Denton and Reddish) (Lab): I thank the Department for responding so quickly to my named day questions, although I do not consider "I will answer this question shortly" to be much of a reply. On the bus service operators grant, the Minister has said:

> "The benefits of that grant are clear: it ensures that the bus network remains as broad as possible, while keeping fares lower and bringing more people on to public transport, with the obvious benefits of reducing congestion…in our towns and cities." [*Official Report*, 29 June 2010; Vol. 512, c. 842.]

Given his swingeing 20% cut to the grant, why will he not now accept that fares are likely to go up, passenger numbers will decrease and congestion will worsen?

Norman Baker: First, the stories in the press throughout recent months have been suggesting that the bus service operators grant will be abolished, but they have clearly been completely off tack. Indeed, the cut to the grant has been less than the average for the Department, in recognition of the importance of bus services to local people. I come back to the point made by the Confederation of Passenger Transport UK, which, after all, represents the bus industry and so, with due respect, perhaps knows more about buses than the hon. Gentleman might do. It has said that, in general, the reduction can be absorbed without fares having to rise; that is the view of the industry.

Swindon to Kemble Rail Line

6. **Mr Laurence Robertson** (Tewkesbury) (Con): What plans he has for the future of the Swindon to Kemble rail line; and if he will make a statement. [19917]

The Minister of State, Department for Transport (Mrs Theresa Villiers): The Government recognise that redoubling the railway between Swindon and Kemble could generate important passenger benefits and improve resilience by providing a diversionary route for the Great Western main line to Wales. Unfortunately, the need to address the deficit means that we are not able to commit Government funding to this project at present, but it remains our aspiration to take it forward in the future.

Mr Robertson: I thank the Minister for that response, but my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown) and I have been campaigning on this issue and on the issue of improving the A417/419 road. The absence of either of those schemes impedes travel between Gloucestershire and London, and that is detrimental to Gloucestershire's economy. Will she revisit both those schemes as soon as possible?

Mrs Villiers: I am very much aware of the campaign that my hon. Friend has run, alongside my hon. Friend the Member for The Cotswolds and other local MPs, such as the hon. Member for Cheltenham (Martin Horwood). I have met a number of MPs to discuss this project and we recognise that it is a good scheme. Important work is being done through the Grip 4 study, which is due to conclude shortly. We hope that we will be able to fund this scheme, but at the moment the deficit—the significant crisis in the public finances—that we have inherited means that we cannot take forward all the good schemes that are on the table. There is no doubt, however, that this scheme will be a serious contender when we assess these schemes again in relation to the next railway control period.

High Speed 2 Project

7. **Tony Baldry** (Banbury) (Con): If his Department will fund (a) tunnelling and culverting work and (b) other mitigation work arising from the construction of any future rail line as part of the High Speed 2 project. [19918]

The Secretary of State for Transport (Mr Philip Hammond): The coalition Government take very seriously the potential impact of a high-speed rail line on line-side communities and property owners. HS2 Ltd's current preferred route utilises a range of mitigation techniques, including tunnelling and culverting where appropriate, practical and economically justifiable.

Tony Baldry: On page 174 of the HS2 proposals, the report states:

> "It is difficult to analyse exactly where the benefits of HS2 would accrue."

HS2 is a project that will clearly be expensive in construction costs, mitigation costs and the costs of compensation. Will my right hon. Friend give an undertaking that next year's consultation will include a consultation on the principle of HS2 and on whether the same amount or even less money spent on the existing rail infrastructure could produce similar or even better results?

Mr Hammond: I can assure my hon. Friend that the option of spending money on enhancing existing rail infrastructure to provide the capacity and the additional

connectivity that a high-speed railway will provide has been examined in detail and has been found not to be a practical option. The consultation next year starts from the premise that the Government believe that a high-speed rail network will be in the United Kingdom's interest, but it will consult on issues to do with the design of that network, the route and the details of the proposals for the London to Birmingham link.

Stephen Timms (East Ham) (Lab): The Secretary of State will be aware of the potentially very important role for Stratford International as a stop for through services from High Speed 1 to High Speed 2. Given the prospect of competitive services on the channel tunnel rail link and developments in east London, as well as the success of the O_2 dome and so on, does he agree that there is a growing economic imperative for international trains to stop at Stratford?

Mr Hammond: As the right hon. Gentleman knows, Eurostar services are operated by a commercial company that makes decisions on the basis of its commercial best interest. I think the answer that he should be looking for is more competition and more operators on the line. I am very pleased to hear that Deutsche Bahn intends to start operating services through the tunnel to London. The more operators there are, the more likely they are to seek additional niche markets and to provide additional station stops.

Road Safety (Nottinghamshire)

8. **John Mann** (Bassetlaw) (Lab): What recent representations he has received on road safety at Elkesley, Nottinghamshire. [19919]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): The Highways Agency has recently received a number of representations on safety on the A1 at Elkesley in Nottinghamshire. These have been made by the local authority, Elkesley parish council and members of the public. In particular, these concerns were raised by local residents and parish councillors to the Highways Agency at Elkesley memorial hall in September.

John Mann: They have been raised for the last 30 years. There was an agreement going ahead before the election, from the previous Government, for the Elkesley bridge, which is a place where many people have died tragically at the most dangerous crossover on the A1. There was a major collision just this summer. Is this vital scheme, recognised as a priority by the Department for Transport, going to go ahead in this Parliament—yes or no?

Norman Baker: It is a little bit unfortunate to blame us for not having taken it forward in six months when the hon. Gentleman's party had 13 years to take the road forward. I do not underestimate the importance of safety. The statistics that I have been given, in fact, suggest that there have been no fatal, one serious and nine slight personal injuries between January 2007 and December 2009. If there is further information, I shall certainly consider that.

As part of the programme to reduce the budget deficit, we are clearly looking at how we spend our money on minor schemes. The initial prioritisation process for all the minor schemes in the country will be undertaken over the next few weeks by the Highways Agency and an announcement will be made on whether the public inquiry for this improvement scheme will proceed.

Highway Infrastructure (Funding)

9. **Miss Anne McIntosh** (Thirsk and Malton) (Con): What recent representations he has received on his Department's proposed funding for highway infrastructure; and if he will make a statement. [19920]

The Secretary of State for Transport (Mr Philip Hammond): We have received a number of representations from hon. Members and members of the public regarding investment in major road schemes since the spending review commenced in June. In terms of specific representations, we have received 25 from hon. Members and 73 from members of the public. In addition, I have held meetings with a number of key stakeholders during which the spending review was discussed.

Miss McIntosh: I am grateful to my right hon. Friend. Will he take a further representation from me here and now to review the cancellation of the A1 scheme from Leeming to Barton? It goes to the heart of the economy in the north of England, supporting my constituency and those of my right hon. and hon. Friends, and it is key to the economic growth of north Yorkshire. Will he reconsider the cancellation of that scheme?

Mr Hammond: As I said when I made my statement on Tuesday, we have sought to take some hard decisions, and some of the schemes that were being taken forward by the Highways Agency had no realistic prospect of being funded in this spending review period or the next one. In those circumstances, I have taken the view that it would be wrong to continue to spend money on development of a scheme which is unlikely to be built in the foreseeable future, and therefore the scheme had to be cancelled. I am sorry to have to disappoint my hon. Friend.

Derek Twigg (Halton) (Lab): I am grateful to the Secretary of State and the Chancellor for their support for the Mersey Gateway. However, construction can start only if funding is in place and we know when that will be released. May I ask the right hon. Gentleman the same question that I asked him on Tuesday? Subject to agreement on funding in January, as per his report, can he tell us if construction will begin before 2015? In other words, will the money be released to allow construction to begin before 2015?

Mr Hammond: I can tell the hon. Gentleman that the money will be released for construction to begin before 2015. Of course, this is a local authority-led project, so the local authority will ultimately determine how quickly the project can proceed, but both the capital allocation sum that we have made available and the private finance initiative credits will be released for use before 2015.

John Woodcock (Barrow and Furness) (Lab/Co-op): I know that many Members in the Chamber and drivers across the country are disappointed with the announcements that the Secretary of State made on Tuesday, but surely

sending his Minister with responsibility for roads to Russia this week was a little steep. Is it not the case that for many of the yet unconfirmed schemes, local authorities are being asked to shoulder more of the burden at a time when they are facing a 28% cut in their funding? Does not the right hon. Gentleman feel a little like a car dealer who says to his customer, "You can drive away with any vehicle you choose," before slashing the tyres of every single car in the showroom?

Mr Hammond: I suppose the simple answer is no. The hon. Gentleman might be interested that the Minister with responsibility for roads has gone to St Petersburg to join in an international conference on road safety. With reference to the local authority schemes in the development pool that I announced on Tuesday, what we have said is that local authorities need to look at ways of improving the benefit-to-cost ratios of the projects that they are promoting. In some cases, that will involve getting in third-party contributions, particularly developer contributions. Some authorities may wish to increase their own contributions. All authorities should be able to reduce cost.

M1-M6 Junction

11. **David Tredinnick** (Bosworth) (Con): What proposals for improvements to the M1-M6 junction he is considering; and if he will make a statement. [19922]

The Minister of State, Department for Transport (Mrs Theresa Villiers): I refer my hon. Friend to the oral statement made by the Secretary of State for Transport to the House on 26 October, and the supporting documentation. The preferred option for improving the junction is the proposal announced in February 2009 to provide free-flowing traffic links between the A14, the M1 and the M6.

David Tredinnick: Does my hon. Friend agree that that is one of the most dangerous junctions and one of the most important junctions on the motorway network? When does she expect the works there to be completed, and what other projects do the Government have to improve the M1 and M6 motorways?

Mrs Villiers: I agree that that is a very important junction on our strategic road network. That is one of the reasons why we have prioritised funding for the project at a time of intense pressure on the public finances because of the deficit that we inherited. I also agree that road safety is an important issue in this case. The Highways Agency is working hard to manage and mitigate the road safety impact of the current junction, but we believe that the scheme will provide additional long-term road safety benefits. The scheme is not likely to be able to be progressed before 2015, but we are working on a revised timetable, with a view to construction beginning some time after that period.

Barbara Keeley (Worsley and Eccles South) (Lab): Another important junction that has congestion problems and very poor design is junction 13 on the M60 at my Worsley constituency, but instead of doing something about junction design and improving the safety and other aspects there, Ministers have pushed forward with a white elephant of a scheme to add another lane to the motorway at that point. I and my constituents have objected to that from the start. The additional lane will blight the lives of people who live near the motorway. Given that they cannot push ahead with the good schemes that Members have put forward this morning, I urge Ministers to cancel that stupid white elephant of a scheme, think again and use the scarce public resources where they are better utilised.

Mrs Villiers: I refer the hon. Lady to the statement that the Secretary of State made earlier this week on the difficult decisions that we have made to prioritise investment in the most significant traffic bottlenecks on our road network. However, she will be well aware that before all those projects proceed to completion, they must pass through the appropriate planning appraisal programme, and full consideration will be given to the local community's views as part of that important process.

Mr Speaker: I call Matthew Offord.

Mr Matthew Offord (Hendon) (Con): Question 17, Mr Speaker.

Mr Speaker: No, no. I apologise to the hon. Gentleman. I thought that he was seeking to come in on Question 11, which is where we were. I am afraid that we cannot go to Question 17.

Disabled People (Transport Access)

14. **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): What recent assessment he has made of the likely effects of the outcome of the spending review on projects to improve the accessibility of the transport network to disabled people. [19925]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): As part of fulfilling the Government's commitment to promoting equality, my Department has undertaken a robust analysis of its spending proposals and an assessment of the likely effects on the accessibility of the transport network. This work included considering the equalities impacts of proposals on projects that would improve the accessibility of the transport network to disabled people.

Luciana Berger: What assurances can the Minister offer that the reductions in the transport expenditure budget outlined in the comprehensive spending review the other week will not impact on accessibility for disabled passengers?

Norman Baker: First, the Government have prioritised transport expenditure in recognition of the fact that it is very important in helping to grow the economy and in cutting carbon emissions.

Secondly, within that process, there are continuing programmes such as the access for all programme at railway stations, and we are considering how we deal with EU legislation and with other disability issues, which are a key part of my portfolio. I can assure the hon. Lady that the issue will not be lost. Indeed, she may want to know that next week I am meeting a number of groups, such as the Royal National Institute

of Blind People, Scope, the Royal National Institute for Deaf People and so on to ensure that I am fully appraised of their views on the issue.

Topical Questions

T1. [19932] **Steve Rotheram** (Liverpool, Walton) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Transport (Mr Philip Hammond): Since I last answered Transport questions, I have agreed the Department's settlement with the Treasury. The settlement that we have achieved shows the Government's commitment to investment in infrastructure and in transport infrastructure, in particular. The announcements that have been made, and that will be made over the next few weeks, will support economic growth and job creation.

Steve Rotheram: I am sure that the Minister is aware of the historical importance of the River Mersey as the lifeblood of the city of Liverpool, the wider sub-region and beyond. Therefore, following the Prime Minister's call for sustainable economic growth, will the Minister meet Merseyside MPs and the leader of the city council to re-examine the economic evidence for a turnaround facility on the banks of our world famous, UNESCO-recognised and iconic waterfront?

Mr Hammond: I think that the hon. Gentleman is talking about a cruise liner terminal and turnaround facility. Cruise liner ports are operated primarily by private sector companies. Public money has been invested in the facility on the Mersey, and that public money was invested on the explicit understanding that it would not be used for turnaround. If it were, issues of state aid and unfair advantage would be raised. I am happy to discuss the matter with the hon. Gentleman, but I hope that he understands that there are European Union competition and legal issues around the matter.

T5. [19937] **Mr Peter Bone** (Wellingborough) (Con): I recently met the Consular Corps of London, which made it clear to me, in no uncertain terms, that there is a problem at our ports and airports with human trafficking, with people being admitted to this country on clearly forged passports. I wonder what the Secretary of State can say about that, and whether he can talk to the Home Office about it.

Mr Hammond: I am grateful to my hon. Friend. As he will know, inward border controls are primarily a matter for the UK Border Agency, and I shall make sure that his comments are drawn to the attention of my right hon. and hon. Friends in that Department.

T2. [19933] **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Bus services are a vital part of Newcastle's economic infrastructure, and, despite the huge cuts to bus subsidies and to local government grants, the Minister is "hopeful" that bus fares will not rise and that bus services will not be cut. Unfortunately, the people of Newcastle cannot get to work on the Minister's hopes. If fares do rise or if services are cut, what will the Minister do?

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I am afraid that the hon. Lady's question contains a number of hypothetical assumptions that are not borne out by reality. It is not my hope, but the hope and the view expressed to me by the Confederation of Passenger Transport UK, which represents the main five bus operators, so I do not think that the terrible scenario she paints will come to fruition. People might also want to use the Tyne and Wear metro, in which the Government are investing £500 million over the next 11 years.

Martin Horwood (Cheltenham) (LD): Although we are expecting rail fares to rise only by 10% over four years in real terms, will Ministers look into changing the basis for the cap calculation from the retail prices index to the consumer prices index—because, after all, what is fair for pensioners ought to be fair enough for profit-making rail companies?

The Minister of State, Department for Transport (Mrs Theresa Villiers): The decision on rail fares has been difficult, but we have had to make it as part of the tough decisions needed to tackle the deficit. Of course we will keep under review the way that the system works, and I am happy to meet the hon. Gentleman to discuss the issue.

T3. [19935] **Chris Evans** (Islwyn) (Lab/Co-op): Constituents of mine travel on the Ebbw Valley rail line from Cardiff to Islwyn, but they cannot travel to Newport because there are major engineering works at the Gaer junction. Has the Minister had any discussions with the First Minister about providing money for those engineering works so that my constituents can travel to work from Islwyn to Newport?

Mrs Villiers: I have not discussed that specific issue with the Welsh Assembly Government, but I am happy to do so.

Jo Swinson (East Dunbartonshire) (LD): East Dunbartonshire cycle co-operative does excellent work and has enthused hundreds of people into taking up cycling through a local cycle festival, maps, cycle clubs and even a Guinness world record attempt at the number of cycle bells that can be rung simultaneously. This shows what can be done with a group of committed volunteers and a bit of grant funding, but how can we ensure that cycling promotion is not just left to volunteer champions but is done more systematically wherever people live in the country?

Norman Baker: I am grateful to my hon. Friend for that question. She will know that we value cycling; it was set out in the coalition agreement that it is a priority for us in the Transport Department. It has a major role to play in tackling the reduction of carbon emissions in the short term through behavioural change. We have guaranteed that Bikeability will carry on and, as I said earlier, there is a pot of money—£560 million—in the local sustainable transport fund, much of which I am sure will be directed towards activities related to cycling.

T4. [19936] **Mark Hendrick** (Preston) (Lab/Co-op): The Chancellor announced with a fanfare in the comprehensive spending review the modernisation and

electrification of a number of lines up and down the country. Can the Secretary of State tell us when the electrification work on the Preston to Blackpool line will commence and when it will be completed?

Mr Hammond: I cannot give the hon. Gentleman a precise date now, but I am happy to talk to Network Rail about where that particular project lies in its current programme and get back to him.

Philip Davies (Shipley) (Con): The Wharfedale and Airedale lines are two of the most congested railway lines in the country, and additional carriages are essential to alleviate that congestion. I am well aware that funds are limited, but will the Secretary of State prioritise additional carriages on those two lines, as that is essential for economic activity in the area, which I know is the Government's priority?

Mr Hammond: I said when I made my statement on Tuesday that a further announcement would shortly be made about rail investment. That announcement will include the provision of additional rail cars to relieve overcrowding. I am afraid that my hon. Friend will have to wait for a few more days until that statement is made.

Ian Lavery (Wansbeck) (Lab): On the rail network and fare increases, is the Minister aware that the proposed formula increase outlined in the CSR—that is, RPI plus three—will mean a cumulative increase of approximately 33.5% by 2015? That means, on the Newcastle to London line, an increase up to £500 for first class and £350 for second class—

Mr Speaker: Order. May I remind Members, both Back Benchers and Front Benchers, because I think they have forgotten, that topical questions and answers are supposed to be shorter? I think the Minister has got the thrust of the question, although the hon. Gentleman is certainly not the only offender, by any means.

Mr Hammond: I can do no better than refer the hon. Gentleman to my earlier exchange with the Opposition Front-Bench spokesman.

Rehman Chishti (Gillingham and Rainham) (Con): May I ask the Minister for special consideration for communities in the south-east that had RPI plus three imposed on them by the previous Labour Government in 2006?

Mrs Villiers: I am well aware of the concerns of users of the Southeastern franchise who have been asked to pay RPI plus three over the past few years. That was linked to investment in rolling stock, and the rest of the country will move on to RPI plus three to even out the perceived inequality from the year after next.

Lilian Greenwood (Nottingham South) (Lab): On Tuesday, the Secretary of State seemed to think me most ungrateful because I did not thank him for the tram extensions. I am sorry to disappoint him, but the people of Nottingham South sent me here to do things, not just to say thanks. Does he accept that the tram on its own will not solve the problems, particularly for freight traffic, caused by congestion on the A453? It really is vital that the widening scheme goes ahead.

Mr Hammond: I hear what the hon. Lady says. I repeat what I said on Tuesday: Nottingham has got a good deal out of the announcements that have been made over the past week or so. The A453 scheme remains in the development pool, which means that we will take it forward with further work. An announcement will be made during the course of 2011 on which of those schemes will be funded.

Martin Vickers (Cleethorpes) (Con): I welcome the reply of the Under-Secretary of State for Transport, the hon. Member for Lewes (Norman Baker) to my hon. Friend the Member for Brigg and Goole (Andrew Percy) in connection with the delay to the A160 upgrade on the access road into Immingham docks. The Under-Secretary will be aware that the delay puts increasing pressure on the town of Immingham, and that the A18/A180 link road was given the amber light on Tuesday. Will he agree to meet me and the local authority to discuss how we can bring the work forward?

Norman Baker: I accept the hon. Gentleman's legitimate point about that connection, and I am happy to meet him—perhaps it might be helpful if that happened at the same time as the other meeting that I agreed to earlier.

Bill Esterson (Sefton Central) (Lab): In a letter to me, the Under-Secretary confirmed the good news about the Switch island to Thornton relief road, but he used the phrase "increased local contributions". Can the Secretary of State tell me now what he expects those contributions to be?

Mr Hammond: I believe that the letter the hon. Gentleman refers to talks about the need for discussion to be held with local authorities on the cost of schemes and local contributions. As I said on Tuesday, when we are spending taxpayers' money, we have an absolute duty to ensure that we have explored every opportunity to minimise the taxpayer contribution and the cost. That is what we will do, but he has approval for the scheme and it will go ahead. We will engage with his local authority to ensure that it is as efficient as possible.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Supporting People Programmes

1. **Margaret Hodge** (Barking) (Lab): What recent representations she has received on the likely effect on women victims of domestic violence of reductions in funding to Supporting People programmes. [19942]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): We have received no such representations. However, we have been meeting a number of organisations that provide support to women who are victims of domestic violence, and most recently my hon. Friend the Minister for Equalities met the chief executive of Refuge to discuss exactly that issue. I am pleased to be able to tell the right hon. Lady that following widespread consultation

with the voluntary sector, the Government have committed to providing £6.5 billion to the Supporting People programme over the next four years.

Margaret Hodge: That is, of course, a real-terms cut in the supported housing programme. Women's refuges also get their money through housing benefit and, at present, they are allowed to charge rates above the local housing cap, and therefore access more benefit than the cap would allow. Will that exemption continue, given the decisions that have been taken to impose that housing cap across all areas of the country?

Mrs May: I thank the right hon. Lady for her concern in relation to support for refuges. We will consult on welfare reform proposals more widely, and that issue can certainly be considered. In relation to the support that refuges provide for victims of domestic violence, I am pleased to tell her that this Government have been able to extend until the end of this financial year the pilot period of the sojourner project dealing with victims who have no recourse to public funds. That is another matter on which we are considering longer-term solutions to ensure that refuges can provide support for the women who need their services.

Rehman Chishti (Gillingham and Rainham) (Con): Will the Minister ensure that all domestic violence centres have access under one roof to welfare, housing and the criminal justice system so that the victim can access them at one single point as is the case at the Croydon family justice centre?

Mrs May: I am grateful to my hon. Friend for mentioning the very good model at the family justice centre in Croydon, which is based on an experience that was developed in New York. I was pleased to visit a centre in New York a couple of months ago and see the benefits there. The Croydon model is a very good one, but it will not necessarily fit all areas. In more rural communities, for example, a single point might not be the answer. Some very good work has been done by Cherwell district council on how to ensure that there is inter-agency working in rural areas where a single physical centre is not always the answer.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): May I press the Minister on her answer to my right hon. Friend the Member for Barking (Margaret Hodge), as there is considerable concern about this issue? The Supporting People budget is being cut by 11% and the ring-fencing is being removed so that refuges and supported housing will have to take their chances among competing areas while local council budgets are being cut by more than 25%. The Minister has not explained what will happen to housing benefit support for those women who are going into refuges and who are badly in need of support and protection. I do not think her answer was sufficient, and I ask her to consider this further and provide the House with some reassurance. She will know that there is great concern that the spending review is already hitting women twice as hard as men. Will she stand up for women who may be affected by domestic violence and will she guarantee that there will be no reduction in help and support for women who badly need it?

Mrs May: I welcome the right hon. Lady to her position. She held the same position before the leadership elections within the Labour party, but I welcome her again now she has been reappointed. I am sure that we will have a number of interesting exchanges on this issue and I hope that we will work co-operatively on many areas of women's issues and equality, as is right and appropriate.

The right hon. Lady asks about ring-fencing and the Supporting People funding, but the decision to remove that ring-fencing was first taken by the Labour Government because it has not been ring-fenced since 2009. On the question that the right hon. Member for Barking (Margaret Hodge) asked, a White Paper will be produced before the welfare reform Bill. It will be possible for people to make representations on specific issues such as the impact of housing benefit changes on refuges and for those representations to be taken into account.

Mr Speaker: The exchanges so far have been rather protracted. We need to do a bit better.

Human Trafficking

2. **Alison McGovern** (Wirral South) (Lab): What discussions she has had with her EU counterparts on the co-ordination of member states' action against human trafficking of women. [19943]

The Minister for Equalities (Lynne Featherstone): Policy responsibility for human trafficking rests with my hon. Friend the Minister for Immigration. There have been no ministerial discussions with other EU member states on human trafficking. The UK plays an active role in combating this horrendous crime and will co-ordinate activities with our European partners where it is in the UK's interests to do so.

Alison McGovern: Nothing undermines the dignity of women more than human trafficking and this modern-day slavery. Article 10 of the EU directive on trafficking requires all member states to provide necessary medical treatment to trafficking survivors. When will Britain set an example and sign the EU directive?

Lynne Featherstone: We have decided not to opt in to the European directive at the moment, but we are keeping a watching brief. When it is implemented, we might well decide to do so, but we are already doing most of the things required by the directive to a good standard and we do not want to be inhibited by introducing laws in this country. Several things that we do already would need transposing into legislation, but we do not need to make legislation to prove to the Commissioners what we are doing already.

Mr Peter Bone (Wellingborough) (Con): May I urge the Minister not to opt in to the EU directive? I know that human trafficking is one of the Prime Minister's priorities, but before we opt in we must consider whether we can do things better; I urge caution in this matter.

Lynne Featherstone: I thank my hon. Friend for his question. That is exactly the position that we have taken.

Keith Vaz (Leicester East) (Lab): The question is about co-ordination. By which mechanism can the origin, transition and destination countries get together to deal with the problem of human trafficking?

Lynne Featherstone: We do that already without legislation. We have been very involved in Europe in terms of trafficking. Human trafficking is a key area under the Stockholm programme, which sets out the EU justice and home affairs priorities. We also helped to shape the draft EU trafficking directive and helped with the first Schengen evaluation on human trafficking. We are working closely with European colleagues. Quite frankly, it is better that we work in the countries of origin, as the right hon. Gentleman suggests, so that we stop trafficking at source by working with the Serious Organised Crime Agency, after which we should work at our borders and then in-country.

Custodial Sentences (Women)

3. **David Mowat** (Warrington South) (Con): What recent discussions she has had with the Secretary of State for Justice on the number of women given custodial sentences. [19945]

The Minister for Equalities (Lynne Featherstone): The Government are committed to diverting women who do not pose a risk to the public from custody, and to tackling women's offending. I met the Under-Secretary of State for Justice, my hon. Friend the Member for Reigate (Mr Blunt), who has responsibility for prisons and probation, on 28 July to discuss the community options available to the judiciary, and we agreed to work together on the issue. We noted that the women's prison population has now reached a plateau. We are jointly supporting a holistic approach to diverting women from custody.

David Mowat: The Minister will be aware of the Corston report, which said that women who pose no threat to the public should not go to prison, owing principally to the attendant issues for children and the next generation, yet in the past decade, the number of women going to prison has increased by 100%, which is four times faster than the number of men going to prison. That cannot be right. What will we do to reverse that legacy?

Lynne Featherstone: The coalition is committed to diverting women away from crime and tackling women's offending. We are taking a number of measures on alternatives to custody. There is a £10 million fund for women-only projects that is run by the voluntary sector and that supports community services. The bail accommodation support scheme means that we can support and mentor women on remand outside so that they do not have to go into the prison system. It is important that we move forward on this issue, because as my hon. Friend says, the knock-on consequences of short sentences for women are totally unacceptable and unproductive.

Lorely Burt (Solihull) (LD): May I urge my hon. Friend to go a little further on the Corston report, which also recommends that we put women in small local centres to tackle the multiple problems that cause them to reoffend, so reducing the number of women in prison? The previous Labour Government said lots of warm words about the report, but did nothing. What will this Government do?

Lynne Featherstone: The Government broadly support all the Corston recommendations and have looked very closely at the recommendation to create another special sort of accommodation. However, we are committed to women not going to prison at all. We are looking at approved accommodation in the community where women can have a good balance between surveillance and support. The ambition is not to need the centres recommended in the Corston report, but keeping women out of prison is paramount.

Women and Work Sector Skills Pathway Initiative

4. **Karen Lumley** (Redditch) (Con): What discussions she has had with the Secretary of State for Business, Innovation and Skills on the effectiveness of the women and work sector skills pathway initiative. [19946]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): That initiative is part of a broad range of action to improve equality in the workplace, an issue on which my hon. Friend the Minister for Equalities and I have had a number of discussions with colleagues in the Department for Business, Innovation and Skills. The forthcoming skills strategy will set out our approach to improving skills for everyone.

Karen Lumley: Will the Minister tell the House what the Government are doing to help women to get jobs in sectors in which they are currently under-represented?

Mrs May: We are taking a number of steps to ensure that we encourage women in areas in which they are not currently as highly represented, such as funding the UK Resource Centre for women in science, engineering and technology. The Government are, of course, committed to an additional 75,000 apprenticeship places by the end of the spending review period, and I am sure that we will do all we can to ensure that women take places in areas where they are not properly represented at the moment.

Gender Pay Gap

5. **Harriett Baldwin** (West Worcestershire) (Con): What recent estimate the Government Equalities Office has made of the gender pay gap. [19947]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): In 2009, the gap between the median hourly earnings of men and women working full time was 12.2%. Including men and women working part time raises this figure to 22%. Those estimates are updated on an annual basis and the Office for National Statistics will provide estimates for 2010 in November. The Government are committed to promoting equal pay and taking a range of measures to end discrimination in the workplace.

Harriett Baldwin: I recently enjoyed watching the film "Made in Dagenham" and it struck me that it is now 40 years since the Equal Pay Act was enacted. Will the Secretary of State update us on what she plans to do to narrow the pay gap between men and women?

Mrs May: I had the opportunity of meeting four of the women who were campaigners in Dagenham, and they are as feisty today as they were 40 years ago. We need to address several issues when considering the gender pay gap. It is appalling that we still have such a gap 40 years later, but it is not simply about a legislative approach. Extending the right to request flexible working to all, introducing flexible parental leave and encouraging a wider range of choices in career options, especially for girls and young women, will all play their part in ending the gender pay gap.

Miss Anne Begg (Aberdeen South) (Lab): I represent an area with the widest gender pay gap, where women earn only two thirds as much as men. I am especially concerned about the effects of the comprehensive spending review, including the number of women who will be made unemployed by the decisions taken and the cuts to housing benefit. What will the Government do about the gender income gap, not just the gender pay gap?

Mrs May: The hon. Lady raises the issue of the comprehensive spending review. Of course, we have had to introduce these measures as a result of decisions taken by the last Labour Government, which she supported, which have left this country in a parlous financial condition and meant that we have had to address this significant deficit. As a Government, we have been looking at equality impact assessments of the decisions in the spending review. It is interesting to note that when the Opposition spokeswoman on these matters was Chief Secretary to the Treasury, the then Labour Government did precisely zero equality impact assessments. They made no proper assessment of the equality impact of their decisions.

Flexible Parental Leave

6. **Mr David Ruffley** (Bury St Edmunds) (Con): When she plans to begin her proposed consultation on a new system for flexible parental leave. [19948]

7. **Stephen Mosley** (City of Chester) (Con): When she plans to begin her proposed consultation on a new system for flexible parental leave. [19949]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The Government are committed to encouraging shared parenting and making the workplace more family friendly. We will launch a consultation in due course on the design of a new system of flexible shared parental leave.

Mr Ruffley: There is a Brussels-inspired proposal to hike maternity pay to full pay for the first 20 weeks at a cost of £2.5 billion, according to the British Chambers of Commerce, which would be unaffordable for the British taxpayer and for small and medium-sized businesses. Given that we already have one of the best maternity rights regimes in Europe, will the Secretary of State tell Brussels where to get off and begin to repatriate employment and social legislation back to this place?

Maria Miller: I share my hon. Friend's disappointment at the outcome of the first reading vote in the European Parliament. The measures that have been put forward are highly regressive and we do not support them. They would cost the UK at least £2.4 billion a year.

Stephen Mosley: It is desirable for fathers to be able to play a much larger role in the lives of their young children. However, the Government also need to take into account and support very small businesses, which may face pressures on their work force if key personnel have flexible time off. What discussions has the Minister had with the business community on the implementation of flexible parental leave?

Maria Miller: As my hon. Friend may be aware, one in seven working people now has a caring responsibility and the issue of balancing work and family life is of growing importance. The Government are committed to a strong culture of regulatory restraint so, in looking at the introduction of shared parental leave, we will consult fully with businesses, small, medium and large,

Business of the House

11.34 am

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 1 November will be as follows:

MONDAY 1 NOVEMBER—Remaining stages of the Parliamentary Voting System and Constituencies Bill (Day 1). In addition, my right hon. Friend the Prime Minister plans to make a statement on the European Council.

TUESDAY 2 NOVEMBER—Remaining stages of the Parliamentary Voting System and Constituencies Bill (Day 2).

WEDNESDAY 3 NOVEMBER—General debate on the report of the Bloody Sunday inquiry.

THURSDAY 4 NOVEMBER—General debate on the strategic defence and security review.

The provisional business for the week commencing 8 November will include:

MONDAY 8 NOVEMBER—Remaining stages of the Finance (No.2) Bill.

TUESDAY 9 NOVEMBER—Opposition Day [5th Allotted Day]. There will be a debate on an Opposition motion. The subject is to be announced.

WEDNESDAY 10 NOVEMBER—Consideration in Committee and remaining stages of the Equitable Life (Payments) Bill, followed by motion to approve a European document relating to economic policy co-ordination.

THURSDAY 11 NOVEMBER—General debate on policy on growth. The subject for this debate was nominated by the Backbench Business Committee.

FRIDAY 12 NOVEMBER—Private Members' Bills.

Hilary Benn: I thank the Leader of the House for his statement. Further to last week's exchange about the Parliamentary Voting System and Constituencies Bill, and his letter to my hon. Friend the Member for Cardiff West (Kevin Brennan), the Government have published in draft a series of statutory instruments for Wales, Northern Ireland and Scotland. The one for Scotland is 205 pages long, and runs to 97 clauses and nine schedules, but Members will have no opportunity to debate or decide on the statutory instruments before the Report stage of the Bill begins next Monday.

The Government have just tabled 28 pages of amendments for Monday, some of which refer to the orders we have not yet had the chance to discuss, so, for the third time, may I ask the Leader of the House to explain to the House how this treatment of Members squares with what the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), who is in charge of the Bill, said would happen? He gave us an assurance that

"on matters to do with elections this House should get to pronounce before the Bill goes to the other place...we will seek to achieve that." —[*Official Report*, 18 October 2010; Vol. 516, c. 653.]

The Leader of the House has not achieved that, and the questions are: why and what will he do about it?

I turn to another matter on which there is considerable concern on both sides of the House. May we have a debate on the confusion surrounding the proposed changes to housing benefit? Yesterday, the Prime Minister could not explain why it is fair that someone who has been looking for a job for 12 months, but has not been able to find one, despite their best efforts, will have their housing benefit cut by 10%. Nor could he offer any advice to families who will be affected by this change and by the housing benefit cap. Instead, he simply said that the Government are not for turning.

Meanwhile, also yesterday, the Work and Pensions Secretary was said to be listening to MPs' concerns. Well, there are plenty of concerns on the Government Benches and in City Hall. The hon. Member for Bermondsey and Old Southwark (Simon Hughes) has called the plan for a cap harsh. The hon. Member for Cities of London and Westminster (Mr Field) said that the proposals have ignored some of the huge logistical problems, and the Mayor of London has described them as draconian. Then, the Secretary of State for Communities and Local Government—the third of yesterday's men, and the person who is actually responsible for housing—told listeners of the "World at One" that they did not need to worry because

"these new reforms don't come in until 2013".

In fact, the housing benefit cap will come into operation next April.

We have a Prime Minister who cannot justify the policy, a Communities and Local Government Secretary who does not understand the policy, and a Work and Pensions Secretary signalling that he might change the policy. In truth, the word "shambles" does not do justice to this mess, but it does make a compelling case for a debate, so may we have one?

As the Leader of the House has just announced, the Backbench Business Committee has chosen a debate on economic growth for 11 November. Will he persuade the Prime Minister to take part, so that he can try to explain how the loss of nearly 500,000 public sector jobs will help the economy to grow; how depriving universities of most of their funding for undergraduate teaching will enable the economy to compete; and how the absence of any central Government support for the new local enterprise partnerships will help them to make use of the regional growth fund? Is it any wonder that Richard Lambert of the CBI said this week:

"The Local Enterprise Partnerships have got off to a ropey start. So far, it has been a bit of a shambles".

All in all, it has been a shambolic week for the Government.

Mercifully—and finally—there is one bright spot. Tomorrow, the House will for the second time extend a very warm welcome to the UK Youth Parliament, which will be debating in this Chamber. We have offered an annual invitation up until the next general election, but does the Leader of the House agree that the House should now make this a permanent fixture in the parliamentary calendar, so that every year henceforth we can celebrate the contribution that young parliamentarians make to the life of this country?

Sir George Young: I am grateful to the right hon. Gentleman for his questions. On the first issue, the undertaking given by my hon. Friend the Parliamentary Secretary has been honoured. On the territorial orders,

the statutory instruments updating the rules for elections to the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales were tabled on 25 October. The orders were necessary to update the rules for elections, and they will be debated in the forthcoming weeks. The amendments to which the right hon. Gentleman refers were tabled as we said they would be, and they are required to deal with any consequential changes needed to reflect the new orders in time for debate. Everything we have done on the Parliamentary Voting System and Constituencies Bill has been to ensure that the House of Commons has the opportunity to debate the referendum rules, and that is what the Bill is about. We tabled the combination amendment a week before it was due to be debated in Committee and we laid the territorial orders in time to ensure that relevant amendments to the combination provisions could be covered on Report.

On housing benefit, we are trying to do what the right hon. Gentleman's former Cabinet colleague, James Purnell, was also trying to do. This is what he said:

"The next issue to consider is housing benefit…so that people on benefits do not end up getting subsidies for rents that those who work could never afford." [*Official Report*, 10 December 2008; Vol. 485, c. 546.]

That is the thrust of our reforms to housing benefit. People who receive housing benefits should have the same choice on housing as people who are not in receipt of housing benefits. That is what is behind the reforms that we are proposing.

On the specific issues that the right hon. Gentleman raises, the housing benefit bill has almost doubled in 10 years, and is now some £20 billion. The caps to which he refers save some £55 million in the first year. That needs to be put in perspective. Of the 700,000 families in London who receive housing benefit, only 2.5% will potentially be affected by the cap.

The right hon. Gentleman will have heard my right hon. Friend the Housing Minister refer on the "Today" programme to £140 million of discretionary payments, available to those in receipt of housing benefit, at the hands of local authorities who need help to cope with the transition to a new regime. Against the background of the need to save public expenditure, the proposals we have introduced—some of which do not come into effect until 2013—are justified.

The right hon. Gentleman asks for a debate on housing benefit. There is a debate in Westminster Hall on the impact of the comprehensive spending review on the Department for Work and Pensions. The Select Committee on Work and Pensions is holding an inquiry into housing benefit, and Lord Freud will give evidence next Tuesday. I have announced an Opposition day the week after next, and it is perfectly open to the right hon. Gentleman to choose housing benefit as a subject in that debate. Indeed, it may come up in the main debate today.

The Office for Budget Responsibility says that unemployment will fall next year and every year after that. Employment is forecast to increase by about 1.4 million over the next five years.

I welcome the arrival of the members of the Youth Parliament in this Chamber tomorrow, and you will welcome them formally, Mr Speaker. I have no objection at all to the Youth Parliament becoming an annual event, but that will require the approval of the House of Commons.

Several hon. Members *rose—*

Mr Speaker: Order. Many right hon. and hon. Members are seeking to catch my eye. We have important business to follow, including heavily subscribed business, so brevity from Back Benchers and Front Benchers alike is essential.

Pauline Latham (Mid Derbyshire) (Con): The Leader of the House may be aware that two large businesses in my constituency are closing or making people redundant. I wrote to the Secretary of State for Business, Innovation and Skills some time ago, and he promised he would try to fit in a visit to my constituency. Could the Leader of the House give me any advice on how I can impress upon the Secretary of State the urgency of such a visit?

Sir George Young: I understand my hon. Friend's concern about the loss of jobs in her constituency. She will know that my right hon. Friend the Secretary of State for Business, Innovation and Skills will shortly make a statement. If she stays in her place, she may have an opportunity to put her question directly to him.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): On 20 October, the Prime Minister, responding to my question, said that

"house building was lower in every year of the last Government than it was under the previous Conservative Government." [*Official Report*, 20 October 2010; Vol. 516, c. 946.]

That is simply not true. After checking with the Library, I wrote to the Prime Minister on 21 October, providing detailed statistical evidence to demonstrate the error, inviting him to put the record straight. The Leader of the House will be aware that the ministerial code of conduct, the most recent version of which was issued in May this year by the Prime Minister, says that

"it is of paramount importance that Ministers give accurate and truthful information to Parliament, correcting any inadvertent error at the earliest opportunity".

I regret to tell the House that the Prime Minister has failed to correct the error to date and, indeed, despite a reminder, has not even responded to my letter. Will the Leader of the House draw the Prime Minister's attention to this matter and remind him of his obligation to abide by the terms of his own code of conduct?

Sir George Young: I will pass the right hon. Gentleman's comments to my right hon. Friend the Prime Minister. I am sure he will get a response to his letter, but I have to say that the last Government's housing record was appalling. House building is at its lowest peacetime level since 1924; waiting lists for social housing have almost doubled; and the average number of affordable housing units built or purchased slumped by more than a third under Labour, compared with under the last Conservative Government.

Duncan Hames (Chippenham) (LD): I am grateful to the Leader of the House for advance notice of Monday's ministerial statement on the European Council. Although such ministerial statements are welcome, they have a disruptive effect on the agenda for the day's business, so could we be given greater notice of such statements,

[Duncan Hames]

including in the "Future Business" section of the Order Paper? That would help to give Members a little bit more time to prepare to participate in the debates.

Sir George Young: I understand the hon. Gentleman's point. When we know statements are happening, we are giving advance notice of them more frequently than has been the case in the past. Inevitably, statements will do some injury to the remaining business of the day, but wherever possible we have given advance notice of ministerial statements to the House, as we have today.

Natascha Engel (North East Derbyshire) (Lab): I welcome the Leader of the House's statement that he supports the annual sitting of the UK Youth Parliament in this Chamber as a permanent fixture, but will he have a look at ensuring that whatever subject the UK Youth Parliament decides at its annual sitting to prioritise for its campaigns finds some traction in this Parliament as well? I am thinking of the issue of votes at 16 last year, which was never debated in this Chamber. Will the right hon. Gentleman look at finding time to debate in this Chamber whatever the Youth Parliament chooses as its campaign priority tomorrow?

Sir George Young: With the greatest respect to the hon. Lady, the solution lies, as she knows, in her own hands, as she is the Chairman of the Backbench Business Committee, which can find time for such topical debates. I very much enjoyed attending her salon on Monday—an interesting new procedure, opening up the House's agenda to all hon. Members. I also welcome her presence tomorrow, when she will conclude the debate and my hon. Friend the Deputy Leader of the House will represent the Government. I am sure that the event will be an astounding success.

Mr Edward Timpson (Crewe and Nantwich) (Con): Today, as on every other day, thousands of severely disabled people and their carers will suffer the unenviable choice of deciding whether to go out in the hope that there will be sufficient toilet facilities to ensure that they can keep their dignity or to stay at home—a choice that they should not face. May we have a debate to discuss how we can do more to ensure that those who want to go out can go out, however disabled they are?

Sir George Young: I am grateful to my hon. Friend. I am aware of the changing places programme, which has been successful in getting more toilet facilities for severely disabled people built in town centres, including, recently, in Crewe. I suggest that my hon. Friend seek an Adjournment debate so that this campaign can receive wider traction.

Joan Walley (Stoke-on-Trent North) (Lab): On 7 July, the Secretary of State for Education told me that

> "Stoke-on-Trent, as a local authority that has reached financial close, will see all the schools under Building Schools for the Future rebuilt or refurbished." [*Official Report*, 7 July 2010; Vol. 513, c. 490.]

Given the points of order in the House last Monday, and the media speculation that Building Schools for the Future might be affected by the pupil premium, will the Leader of the House arrange for an urgent debate on the funding for BSF, so that people in constituencies all across the country, including Stoke-on-Trent, can have some certainty about the multi-million pound programme for schools investment on which they are now negotiating?

Sir George Young: The pupil premium is not being funded out of the schools programme. It is being funded from elsewhere in the Department's budget and from savings in other parts of Whitehall. There is £15 billion-worth of investment going into new schools' capital. On the specific issue of Stoke, I will ask the Secretary of State for Education to write to the hon. Lady.

Richard Fuller (Bedford) (Con): My right hon. Friend might be aware of the recent announcement by the National Endowment for Science, Technology and the Arts on establishing the big society finance fund, which will stimulate new ways in which social enterprises can raise capital to support their initiatives in local communities. With local councils up and down the country now facing cuts in much-needed and much-valued local services, will my right hon. Friend consider holding a debate on how we can increase capital and funding for social enterprises?

Sir George Young: I agree with my hon. Friend on the importance of social enterprises having access to funding in order to take forward their initiatives. He will know, for example, of a new initiative on the prisoner discharge programme, which I hope will yield results. I entirely support his attempts to have a debate, either in Westminster Hall or through the Backbench Business Committee or in an Adjournment debate. The big society very much encourages the sort of social enterprises to which he refers.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Has the right hon. Gentleman seen early-day motion 910?

[That this House expresses deep concern about the failure of Adactus Housing Association of Manchester to reply to repeated correspondence, dating back to early July 2010, from the right hon. Member for Manchester, Gorton with regard to a constituency case; and reminds Adactus that those seeking to defend social housing at this present crucial time are handicapped if social housing associations fail in their duty of accountability.]

It refers to the failure, after four months, of the Adactus housing association in Manchester to reply to me about the concerns of a constituent of mine. Will he ask the Secretary of State for Communities and Local Government to clarify what remedy is available to tenants of social housing, so that they can get the accountability to which they have a right?

Sir George Young: I apologise for any discourtesy to the right hon. Gentleman on behalf of the housing association. He is entitled to a reply on behalf of his constituent, and I will raise this matter with the Secretary of State. I think I am right in saying that there is an ombudsman who can deal with complaints from social housing tenants.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I congratulate my right hon. Friend on publishing a very useful card showing the dates of the sitting days

of this Parliament, as well as the recess dates, for many months ahead? I congratulate him on this tremendous innovation. It gives me great satisfaction that this has been introduced not by some manic young moderniser but by a true Conservative who was educated at Eton and Oxford.

Sir George Young *rose—*

Mr Speaker: Order. That question was extremely amusing, but it suffered from the disadvantage of having made no request whatever for a statement or a debate. There will therefore be no reply to it.

Mrs Madeleine Moon (Bridgend) (Lab): As we are approaching Halloween, may I please ask the Leader of the House to send out a plea on behalf of women such as Sally Joseph, one of my constituents and a member of the Women's Food and Farming Union, about the use of Chinese lanterns? These lanterns are marketed as being eco-friendly and biodegradable, but they contain wire frames and bamboo, which can be dangerous to livestock if they land on farmland. Can we please urgently ask our constituents not to use them?

Sir George Young *rose—*

Mr Speaker: Order. The hon. Lady should ask for a debate or a statement.

Sir George Young: I support the hon. Lady's request for a debate or a statement on Chinese lanterns, which I know from farmers in my own constituency can do real damage to livestock. I also understand that alternative components can be used in these lanterns and I will raise with the Secretary of State for Environment, Food and Rural Affairs the question of whether they could be promoted as an alternative to the ones that cause the damage.

Greg Mulholland (Leeds North West) (LD): From this Saturday, 30 October, to the following Saturday, 6 November, it will be British pub week. This will be a great opportunity to celebrate the British pub, and I urge all hon. Members to join the all-party save the pub group and to visit a pub in their constituency. I include you in that invitation, Mr. Speaker. From memory, I think I still owe you a pint. May I ask the Leader of the House whether we can have a debate on the future of the pub, and a statement from the Government on when they are going to establish a cross-departmental strategy on the future of this important cultural and social institution?

Sir George Young: I commend my hon. Friend for his campaign for the British pub, which has been sustained over many years. I remember attending a meeting, which I think he had convened, during the last Parliament, at which there was an enormous number of Cabinet Ministers, demonstrating the importance of this subject. I am sure that Members need no encouragement to go to their local pub and celebrate British pub week in a traditional way. I will certainly pass on to appropriate colleagues his suggestion for a cross-departmental working party to ensure that this important British institution can flourish.

Stewart Hosie (Dundee East) (SNP): May we have an urgent statement on the decision to increase the interest rate on loans from the Public Works Loan Board by 1%? This will cost public bodies such as local authorities an extra £1.3 billion over the next four years and has the potential to do a huge amount of damage to financial planning, capital investment and jobs. May we have a statement from a Treasury Minister on that specific matter?

Sir George Young: I understand the hon. Gentleman's concern, but we must also consider the other side of the balance sheet—the revenue that comes in. We are shortly to debate the comprehensive spending review. I do not know whether he was planning to intervene, but I imagine that it would be appropriate to raise that matter in the debate and to press the Minister for an answer.

Robert Halfon (Harlow) (Con): In my early-day motion 914, I note Lord Mandelson's recent conversion to becoming a strong supporter of the big society.

[That this House welcomes Lord Mandelson's recent conversion to being a supporter of the Big Society, widely reported in the national press; further welcomes his comments that the Government's welfare and education reforms are 'moving in the right direction'; is glad that Lord Mandelson has wholly rejected his earlier position of April 2010, when he said that the Big Society was 'neither practical nor realistic'; congratulates him on his statement of October 2010 that 'we will have to find more of our solutions from within the communities that make our society'; and therefore calls on the Government to thank Lord Mandelson for his support, and to welcome him into the Big Society tent.]

Does the Leader of the House not agree that it is now more urgent than ever to have a debate on the big society so that we can welcome more Opposition Members to the big society big tent?

Sir George Young: I am grateful to my hon. Friend for that question, and I have early-day motion 914 here in front of me. It is probably the only EDM with Lord Mandelson in its title. We welcome converts to the big society, and I welcome what my hon. Friend has been doing in that regard. If he can persuade more former Members of the House to subscribe to the big society, no one would be happier than me.

Bridget Phillipson (Houghton and Sunderland South) (Lab): May I press the Leader of the House again on the urgent need for a debate on the Government's plans for housing benefit? The Government simply do not appear to appreciate the misery, the poverty and the homelessness that the cuts will cause, not only to those who are seeking work but, because housing benefit is also an in-work benefit, to hard-working, low-income families and pensioners.

Sir George Young: Next Thursday, there will be a debate in Westminster Hall on the impact of the comprehensive spending review on the Department for Work and Pensions. That would be an entirely appropriate forum for the hon. Lady to share her concerns about the impact of the changes, and to get an adequate response from the Minister who will reply to the debate.

Andrew Stephenson (Pendle) (Con): On Friday, I met John Bottomley, managing director of JKB Shopfitting in Nelson. Like a number of other manufacturing firms in Pendle, the firm is currently doing so well that it has outgrown its premises. Sadly, however, the local council and the chamber of commerce tell me that there are no grants available to help the firm to relocate within the borough; nor were there any such grants under the previous Government. As I know of several other firms in the area that are constrained by their old premises, may we have an urgent debate on what more the Government could do to help Pendle businesses to expand?

Sir George Young: My hon. Friend will have heard me announce a debate on the subject of growth, as the choice of the Backbench Business Committee, in the next fortnight, which will provide him with an opportunity to discuss this matter. The Government want to ensure that the financial sector can supply affordable credit to businesses such as the one he describes, and we would like to see more diverse sources of finance for small and medium-sized enterprises, including, where appropriate, access to equity finance.

Mr Wayne David (Caerphilly) (Lab): The Prime Minister misled the House yesterday— [HON. MEMBERS: "Oh!"]

Mr Speaker: Order.

Mr David: I am sure that it was inadvertent, as we all know. He said that Labour MEPs had voted in favour of an increase in the EU budget, but that is not the case. They voted against the increase. When the Prime Minister makes his statement to the House on Monday, perhaps he could correct the inadvertent mistake that he made.

Sir George Young: I refer the hon. Gentleman and the House to amendment 12 of the vote of 20 October, which clearly states the need to take into account the fiscal restraint being shown by member states, and calls for a freeze in the annual budget at 2010 levels. Conservatives and Liberal Democrats voted in favour; Labour voted against.

Julian Smith (Skipton and Ripon) (Con): May we have a debate on the possibility of a freeze on new employment law for 2011 and the inclusion of that idea in the Government's forthcoming growth White Paper, which would enable British business to focus solely on job creation, wealth and growth in 2011?

Sir George Young: I entirely agree with my hon. Friend. He will know of our policy of what we call "one in, one out". In other words, if a new regulation is introduced, an existing one must go. I hope that that and other initiatives will reduce the amount of bureaucracy and red tape that small and medium-sized enterprises have to cope with.

Caroline Lucas (Brighton, Pavilion) (Green): Given the importance of woods and forests to biodiversity, tackling climate change and our quality of life, will the Leader of the House arrange an urgent debate on the Government's shocking plans to sell off to private developers part of the Forestry Commission estate which includes some of our most ancient woodlands?

Sir George Young: The hon. Lady will have an opportunity to raise that with appropriate Ministers on 4 November. I should point out, however, that the Forestry Commission has been buying and selling woodland for some time. I do not think that the concept of more of it being in the private sector is entirely new.

John Hemming (Birmingham, Yardley) (LD): The Leader of the House is aware of my concern about the cases of two of my constituents, Noreen Akhtar—whom I call the secret prisoner—and Andrew France, who have been bullied and threatened in an attempt to stop them talking to me. Having discussed the matter with colleagues, I find that the problem is more widespread than I initially thought. Would the Leader of the House consider arranging a statement or a debate on the issue, so that we can canvass and discover how widespread such instances are?

Sir George Young: I think that my hon. Friend is seeking to draw me into areas related to privilege which are very much above my pay grade, but you, Mr Speaker, will have heard what he has suggested. I have written to him in the last day or so, suggesting other ways in which he might pursue his concerns.

Kate Green (Stretford and Urmston) (Lab): A response from the Government to a consultation on the use of body image scanners at airports is overdue. Will the Leader of the House urge his colleague the Secretary of State for Transport to publish a response as soon as possible, so that concerns about the appropriate balance between the protection of privacy and dignity on one hand and security on the other can be addressed?

Sir George Young: I understand the hon. Lady's point. At its heart is the balance between security and dignity to which she has referred. Transport questions took place earlier today, so the opportunity may not occur again for three or four weeks, but in the meantime I will write to my right hon. Friend the Secretary of State for Transport and see whether he can shed some light on when the outcome of the consultation will be known.

Tony Baldry (Banbury) (Con): May we have a debate on the timetabling of Bills? In the present Parliament, should it not be much more transparent? If the Government and the Opposition, through the usual channels, agree on periods for timetabling, should that not appear on the Order Paper as a matter of public record?

I am sure that the Government and the Opposition agreed on the amount of time to be allotted to the Committee and Report stages of the Parliamentary Voting System and Constituencies Bill, but the Opposition have spent more time drifting through the Division Lobbies than diligently debating the detail of the Bill on the Floor of the House, and have then complained—

Mr Speaker: Order. I am sure that what the hon. Gentleman is saying is learned, but I am afraid it is a disquisition. What I want is a one-sentence question to the Leader of the House.

Tony Baldry: My one-sentence question occurred at the beginning of my disquisition, Mr Speaker, and I am sure that the Leader of the House got the drift of it.

Sir George Young: My hon. Friend has raised an issue that is important to the House as a whole. In the 1997 Parliament, when I was shadow Leader of the House, occupying the position now occupied by the right hon. Member for Leeds Central (Hilary Benn), I put my name to timetable motions when we, as an Opposition, were satisfied they provided a sensible way of dealing with a Bill. That got rid of some of the problems identified by my hon. Friend. I hope that, given a new and, I am sure, reforming shadow Leader of the House, we can have sensible discussions about whether we can achieve consensus in relation to at least some Bills, so that we can make the best possible use of the time that is available for the House to deal with important Bills.

Chris Bryant (Rhondda) (Lab): The Leader of the House is a tall man, but we should all look up to him even more if he were not to resort to sharp practice to get the Bill through next week. As was pointed out by my right hon. Friend the Member for Leeds Central (Hilary Benn), the Government have tabled 28 pages of amendments for debate on Monday, not a single one of which was called for during earlier debates on the Bill or by any Back Bencher. Many of those amendments refer directly to the Scottish Parliament (Elections etc.) Order 2010, which will not have been debated by Monday. Does that not constitute gross presumption of what the House may choose to do in the future, and does it not put the cart before the horse?

Sir George Young: The hon. Gentleman said that I was a tall man; I say to the hon. Gentleman that he is, at times, a verbose man.

We have provided five days for the Committee stage of the Parliamentary Voting System and Constituencies Bill, and two days for Report. I consider that to be a generous provision, and much of that time so far has been spent by the hon. Gentleman speaking at length from the Dispatch Box. *[Interruption.]* Moreover, some of the time was not used last week when the House rose early. The House has been given adequate notice of the issues on the Order Paper, and we shall have ample time next Monday and Tuesday to deal with the amendments that have been tabled. *[Interruption.]*

Mr Speaker: Order. The hon. Member for Rhondda (Chris Bryant) gives every indication that he is auditioning to become a football commentator, ensuring that we have the benefit of his narrative on every aspect of the proceedings. It is richly enjoyable, but not altogether necessary.

Mr Peter Bone (Wellingborough) (Con): May I ask my mature, non-manic, well-educated right hon. Friend whether we can have a debate on the House of Commons calendar covering business until 2012? Although it is very useful, it seems to have omitted from the shaded areas the additional days that the Government have promised for private Members' Bills.

Sir George Young: My hon. Friend is right. It does appear from the calendar that the House will not be sitting on any Friday after, I believe, June. He should, however, note the small print at the bottom of the calendar, which states:

"Please note that all dates are provisional".

It is indeed the case that the House will sit on some Fridays beyond June 2011, and the calendar may well be updated at a later date to include extra Fridays. However, they will be within what I might call the "brown envelope" that appears on the calendar. We will not suggest that the House should sit on Fridays in the middle of recesses.

Pat Glass (North West Durham) (Lab): There is now plenty of evidence that children who come from homes in poverty fall behind their peers from the age of 22 months, and a huge body of evidence suggesting that early intervention is incredibly important to vulnerable children and children with special needs. May we have an urgent debate on the issue, given that it is now becoming clear that the pupil premium will not be paid to children under five?

Sir George Young: I am not sure that that is entirely the case. I hope that the hon. Lady will welcome the introduction of the pupil premium, which was designed precisely to target the problem that she has identified: the underachievement of children from poor households. I am sure that the next instalment of questions to the Secretary of State for Education will provide an opportunity for her to raise it, and I will seek to clarify the issue of the extension of the pupil premium to those below the age of five.

Philip Davies (Shipley) (Con): In the light of the comment by the Lord Chief Justice that far too many violent and persistent offenders are getting away with a caution, may we have a statement from the Secretary of State for Justice—as a matter of some urgency—so that we can discover what the Government are doing to address those legitimate concerns, and ensure that those who should be sent to court and to prison are sent to court and to prison rather than getting away with a caution?

Sir George Young: As my hon. Friend will know, my right hon. Friend the Lord Chancellor is planning to issue a White Paper, or possibly a Green Paper, on sentencing policy. I hope that that will provide a framework for the debate on which my hon. Friend has just launched himself.

Mr Andy Slaughter (Hammersmith) (Lab): The cumulative effect of the Government's housing policies on security of tenure, near-market rents and capital expenditure, as well as housing benefit, is the greatest threat to social cohesion for a generation. I would not go as far as the Mayor of London and describe this as Kosovo-style social cleansing for fear of upsetting the Deputy Prime Minister, but may we have a debate—in the Chamber, not in Westminster Hall—on social cleansing and gerrymandering in our inner cities?

Sir George Young: It is important to use careful language in the debate about housing benefit, and the use of phrases and words such as "social cleansing" or "Kosovo" in that regard is not appropriate.

I do not think that it is going to happen. The hon. Gentleman will know that, in many parts of the country, private sector rents are set to hit the cap. It follows that, in many parts of the country, when the cap comes

[Sir George Young]

down, so will the rents. There are discretionary grants, to which I have referred, to help families in his constituency who have difficulty with the social reform. Despite what he says about Westminster Hall, it is an appropriate forum in which to debate these issues. The Opposition have an Opposition day in a fortnight's time and they are entitled to debate housing benefits, if that is their priority.

Kevin Brennan (Cardiff West) (Lab): May we have a debate on teaching George Orwell in our schools and particularly his essay "Politics and the English language", so that pupils might be able to understand the double-speak of a Government who describe what is a real cut in school spending per pupil as a pupil premium?

Sir George Young: If the hon. Gentleman looks at the comprehensive spending review, he will see that there is a flat-cash settlement in terms of pupils, on top of which there is a pupil premium; that is in addition. He should look at what other Departments have had to do and at the plans that his own party had. Had it won the election, he would have found there were real cuts in that budget.

Mr Clive Betts (Sheffield South East) (Lab): May I reinforce the calls for a debate on the housing benefit changes? This is a Government proposal and we should have a debate in this Chamber in Government time for the reasons given. What about a couple in their 50s living in a three-bedroom council property, the family home, which their children have now left? In future, because that couple will be deemed to be under-occupying that property, if they lose their job or go into short-time working, the rent will not be covered by housing benefit. They face the prospect of becoming homeless and will not be covered by the homelessness legislation. The proposal is unfair and unacceptable. We need a debate on it in this Chamber in Government time.

Sir George Young: As I said in response to the right hon. Member for Leeds Central, our policies are seeking to achieve the objectives of Mr Purnell, a former colleague of his, in ensuring that those who are on housing benefit are confronted with the same choices on housing as those who are not in receipt of that benefit. There will be an opportunity to debate the housing changes. Some of them need primary legislation and some need secondary legislation, so the Government will provide time to debate them as the opportunity presents itself.

Valerie Vaz (Walsall South) (Lab): One of my constituents, Andy Brown, has been offered the seasonal flu vaccine but only in combination with the swine flu vaccine. The swine flu vaccine is causing Guillain-Barré syndrome. Can the Leader of the House make urgent representations to the Secretary of State for Health to instruct GPs to offer patients the choice of a separate vaccine?

Sir George Young: I will share the hon. Lady's concerns with my right hon. Friend the Secretary of State for Health and perhaps ask him to write to her before he takes the rather dramatic action that she has proposed of writing to every GP.

Graham Jones (Hyndburn) (Lab): Will the Leader of the House ask the Secretary of State to make a statement on the Export Credits Guarantee Department strategy on supporting British exports? I have two companies in my constituency trying to export high-value products to Russia—Emerson and Renwick and Grahame and Brown. German Government grants are undercutting the loan value and it is impossible for us to export in those conditions so we do not have a level playing field. I hope that the Secretary of State can give a statement on the issue.

Sir George Young: I am entirely in favour of firms in the hon. Gentleman's constituency winning export orders and providing jobs in his constituency. I will raise with the Secretary of State for Business, Innovation and Skills the issue of there perhaps being an unlevel playing field and ask him to write to the hon. Gentleman.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): May we have a debate on the disproportionate, negative effect that the Government's policies are having on the lives of women and children, particularly the most vulnerable women and children? Can the Leader of the House explain how those policies are fair without blaming the previous Labour Government, because after all these are his Government's choices?

Sir George Young: We have just had questions to my right hon. Friend the Minister for Women and Equalities. I am not sure whether the hon. Lady was in the Chamber, but she would have had an opportunity to raise those issues with my right hon. Friend an hour ago.

Albert Owen (Ynys Môn) (Lab): May we have an urgent debate on port infrastructure and the link to offshore wind development? This week the Department for Business, Innovation and Skills and the Department of Energy and Climate Change both announced that the £60 million set-aside for UK ports would go to England only, with the Barnett consequential going to Wales. That is a reserved matter for this Parliament. Surely Welsh and Scottish ports should have a level playing field in applying for that subsidy.

Sir George Young: Of course I understand the hon. Gentleman's concern and I will raise with the appropriate Minister the distribution of grants for assistance to ports within the UK.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): A review of dangerous dogs legislation was initiated in March under the previous Government. The review concluded in June and, despite repeated requests from me and others at Business questions and in writing, the Government, four months later, have still to respond. Will the Leader of the House please urge the Secretary of State to update the House on the review of that legislation before, like John Paul Massey, who tragically died in my constituency last December, another child is savaged by a dangerous dog?

Sir George Young: The short answer is yes and I very much regret the incident that the hon. Lady has referred to. There are questions to the Home Office on 1 November, when she may have an opportunity to raise the matter.

Bill Esterson (Sefton Central) (Lab): Will the Leader of the House ensure that Ministers give adequate notice of visits to Members' constituencies? On Tuesday evening, I received an e-mail notifying me of a visit by the roads Minister, the Under-Secretary of State for Transport, the hon. Member for Hemel Hempstead (Mike Penning), on Wednesday morning, which gave me inadequate time to be there myself. Sefton council was notified of the visit on Monday morning, two days earlier. Will the Leader of the House investigate why the local authority was given notice 36 hours before I was?

Sir George Young: It is important that Ministers notify Members when they are visiting Members' constituents and give them adequate notice. I will of course raise with my hon. Friend the Minister the incident that the hon. Gentleman has referred to and ask him to write to him.

Mr Speaker: I am grateful to colleagues for their co-operation.

Local Growth White Paper

12.16 pm

The Secretary of State for Business, Innovation and Skills (Vince Cable): This Government's economic ambition is to build a more balanced economy, driven by private sector growth. Today I am announcing the publication of the Government's local growth White Paper, which sets out what that means for locally driven growth, job creation and the Government's role in supporting that.

The previous Government's policy sought to close the gap between the greater south-east and the rest of England through centrally led, unaccountable development agencies whose boundaries often bore no relation to the real economic geography. Ten years, and £19 billion later, the economy is still as regionally unbalanced as before; if not more so.

It is clear that that policy failed. Our new approach to sub-national growth therefore focuses on three key themes. The first is shifting power to local communities and businesses. Local communities and businesses are in the best position to understand the opportunities and needs of their own economies. Therefore, the Secretary of State for Communities and Local Government and I have asked business and civic leaders to come together with other partners, such as universities and the social and voluntary sectors, to form local enterprise partnerships which reflect natural economic areas.

We received 62 proposals and I am pleased to say that today we are asking 24 partnerships to progress and set up their boards. The list of those partnerships is in annex A of the White Paper, which will be laid in the House today. Together, those 24 partnerships represent more than 60% of the economy of England outside London and cover almost all our major cities. Many of the remaining proposals are well developed and we will welcome further proposals when they are ready. We are undertaking separate discussions with the Mayor and London boroughs on local enterprise partnerships in London.

The White Paper sets out a diverse range of roles which LEPs could take on, such as working with Government to set out key investment priorities, including transport infrastructure and supporting or co-ordinating project delivery; co-ordinating proposals or bidding directly for the regional growth fund; supporting high-growth business, for example through bringing together and supporting consortiums to run new growth hubs; and making representations on the development of national planning policy and ensuring that business is involved in the development and consideration of strategic planning applications.

We will reinforce that at national level by transforming the national Business Link website and establishing a national contact centre. We will provide support to businesses with high growth potential through a network of growth hubs and bring together venture capital and loan funds at the national level. We will support key industry sectors and innovation at national level, including through a network of technology and innovation centres.

UK Trade & Investment will have responsibility for promoting the UK overseas and helping exporters. LEPs will want to help investors to find sites and provide other support such as planning, infrastructure and support for skills.

[Vince Cable]

We are committed to an orderly transition from the regional development agencies to the new delivery arrangements, and we will aim to ensure that all staff are treated fairly. RDA assets and liabilities will be transferred to other bodies through a clear and transparent process that is aimed at ensuring the best possible outcomes for regions and is consistent with achieving value for the public purse. Assets will be transferred with associated liabilities wherever possible. We expect the RDAs to manage down existing financial commitments within the funding envelope agreed in the spending review.

The second key theme is focused intervention. Today we are launching the regional growth fund, which will achieve strong growth and create sustainable private sector jobs. The first bidding round is now open to bids from private bodies and public private partnerships, and first-round bids will be submitted by 21 January 2011.

Some £1.4 billion is being made available over the next three years to encourage private sector investment across England by providing support for projects with significant potential for private sector-led economic growth and sustainable employment. Support will be provided in particular for bids from those English communities that currently are dependent on the public sector to help them to make the transition to sustainable, private sector-led growth. The advisory panel, chaired by Lord Heseltine, will provide an independent strategic view to Ministers on how the fund should be deployed to achieve its objectives. As with all major business investments undertaken under industrial development legislation, interventions will be subject to advice from the Industrial Development Advisory Board. That will ensure the highest possible level of commercial challenge through the process. Final decisions will be made jointly by a ministerial group under the chairmanship of the Deputy Prime Minister. The White Paper sets all this out in detail.

Thirdly, there has to be confidence to invest. An efficient and effective planning system is crucial in enabling growth. My right hon. Friend the Secretary of State for Communities and Local Government will soon bring forward policy and legislation to deliver that. In them, the Government will introduce a new duty to co-operate on local authorities, statutory undertakers and infrastructure providers, to ensure that the right people and groups share information and work together to make the best possible decisions for their area.

We will reform the planning system so that it is driven by communities and introduce a presumption in favour of sustainable economic development. We will fundamentally reform and simplify planning policy and guidance, presenting to Parliament a simple national planning framework that will cover all forms of development. This framework will establish economic growth as a Government priority for planning, and will lift many of the complex bureaucratic burdens that have slowed down decision making. The review of framework will be carried out in parallel with the localism Bill.

The Government are also committed to introduce a framework of effective incentives through the local government finance system to help to drive economic and housing growth at the local level. The Government's new homes bonus will be the cornerstone of the new framework for incentivising growth in housing supply, creating a simple, transparent and permanent incentive that will be more effective than the failed top-down regional targets.

We have also looked at the incentives for business growth and decided that more can be done to give a strong and predictable incentive. We have considered ways of enabling councils to retain locally raised business rates. That means many local councils will be set free from dependency on central funding and it will represent a radical departure from the way in which the existing local government finance system operates. In considering this option, the Government are clear that businesses should not be subject to locally imposed increases in the burden of taxation that they do not support. We have already made it clear that businesses would have the right to hold a binding vote on any local authority proposals to introduce a local supplement on business rates. That is a principle to which we remain firmly committed. Equally, we will ensure that all councils have adequate resources to meet the needs of their local community. Rewarding growth is also about fairness in the local government finance system. Local business rate retention will be considered within the local government resource review, which the Government intend to launch in January after a period of consultation on the proposals in the White Paper.

To support renewable energy, we will be introducing a renewable energy bonus, which will mean that local authorities can keep the business rates from renewable energy projects. Finally, we will bring forward proposals for tax increment financing to allow local authorities to borrow against future increases in business rate revenues to pay for upfront infrastructure and development costs.

The measures set out in the White Paper complement the other measures the Government are taking to support growth and job creation through infrastructure investment; support for education and skills; improvements in competition; and support for research and innovation. This needs to be joined up with locally led action to improve the environment for business, and we are today putting in place the tools for this to happen.

Mr John Denham (Southampton, Itchen) (Lab): I thank the Secretary of State for his statement, and of course I look forward to reading the White Paper when it is made available to the House.

Growth and jobs are of critical importance to every family and every region of the country. They are the best way to cut the deficit and the best way to offer hope to young people. The coalition Government will slash 500,000 public jobs and put 500,000 private sector workers out of work through their reckless cuts, but they claim they will create 2.5 million new private sector jobs over the next four years. There is no sign today that they can live up to that claim.

I do not suppose that the Business Secretary has ever used hair-restoring lotion, but if he had he would have discovered that just because it says "Promotes Growth" on the bottle it does not mean that growth will happen. It is very much the same with his Department and this White Paper. He calls it the Department for growth, but the comprehensive spending review led to its funding being cut by more than that of almost any other Department. Is it not true that just when growth is most important and business needs to be able to invest with

certainty and confidence, this statement confirms deep cuts in growth funding, a shambles of local development organisations that will last for years, broken promises to the English regions, a planning system that will not work and delays in key investments?

This statement cuts the resources for regional development by at least two thirds. RDAs will receive about £1.4 billion this year, but the regional growth fund will have £1.4 billion over three years. Will the Business Secretary admit that the tiny regional growth fund will now have to pay for many activities that RDAs did not have to fund? The Minister for Housing and Local Government says it must pay for housing renewal. The Transport Secretary says it must pay for transport. It will invite national applications as well as those from local and regional schemes. Will the Business Secretary confirm that he expects the money to run out after one round of bids?

The Chancellor of the Exchequer once accused Lord Mandelson of writing cheques before the election, but what happened when the coalition set out to cancel them? They found that the investments made by Labour ensured that Nissan would develop electric vehicles, Ford would produce new engines and Vauxhall would maintain car production, and enabled Airbus to design and develop the A350, secured the next generation of offshore wind blades and supported the video games industry and start-up biotech companies. I am pleased Labour's investments finally went ahead, but is not the truth that the coalition has now completely hamstrung itself in respect of making such investments in the future?

The regional growth fund is a pathetic fig leaf to cover absence of any growth strategy. It is not regional—all the decisions will be taken by two semi-retired politicians in London—and it is not much of a growth fund. As Sir Ian Wrigglesworth, deputy chair of the growth fund, said:

"One billion pounds over two years is not a lot of money and the amount you can do with it is limited."

Will the Business Secretary admit that the Government's reckless cuts mean that growth will be underfunded? Will he admit that if the coalition had adopted the responsible and measured approach to deficit reduction set out by the shadow Chancellor, public spending would have been cut by £30 billion less, allowing us to focus on growth?

Support for growth is not just about the level of public spending; it is about creating business confidence and certainty. What happened to the Business Secretary's promise to the *Yorkshire Post*:

"What we have said is where RDAs are doing a good job and where the partners recognise they are doing a good job, they can continue in a similar form to what they have at the moment"?

Where is the evidence that business wants what he has announced today? Is not the director general of the CBI right to say that local economic partnerships

"have got off to a pretty ropy start. So far it's been a bit of a shambles"?

Is not the Institute of Directors right to say that if local economic partnerships do not have money

"they'll be little more than a toothless talking shop"?

Will the Business Secretary confirm that the local economic partnerships will have no start-up funding, no core funding, no guaranteed access to the regional growth fund, no new legal powers and no promises of money—for example, from the Department for Work and Pensions—to replace the future jobs fund? Will he confirm press reports that key areas such as the south-west and Lancashire will be left without a local economic partnership? Will he confirm that of places such as Hull, which is 11th in the deprivation index, Blackpool, which is 12th, Blackburn, which is 14th, and Burnley, which is 24th, none will have even a feeble local economic partnership, which other areas will enjoy? Will he confirm that RDA redundancy payments will cost nearly £500 million? Will he confirm that for the next two years, when growth is crucial, most businesses will have no coherent local development agency to talk to about key investments, key infrastructure decisions and major planning decisions? Is it not true that Wales and Scotland will enjoy coherent and focused business support and England will not?

The world outside cares little about the petty power battles between the Business Secretary and the Communities Secretary, but they, together, owed it to business and to the country to provide certainty, clarity, confidence and coherence for the future, and between them they have failed. Will the Business Secretary confirm that in so many other areas the coalition is failing to produce the conditions for growth? There is no plan for growth. How will cutting hundreds of thousands of training opportunities for adults help employers with the skills they need? What has happened to Labour's plans to transfer responsibility for skills to employer-led organisations? At a time when every other OECD country apart from Romania is increasing higher education funding, how will cutting such funding produce the graduates we need?

More than 70 councils have started to withdraw or delay planning applications since regional strategies were scrapped. How does that give the construction industry the certainty it needs? The scheme for retaining business rates seems to build on Labour's business rate supplement, but how much does the Business Secretary expect it to raise? Will it compensate for the 30% cut in local government funding? Does he believe that all councils will benefit equally, or will those facing the greatest challenges get less money from his new policy? Why are green industries laying off workers because of uncertainty about renewable energy policy? When the Government announced eight nuclear power stations, why did they not make the loan to Sheffield Forgemasters which would have made sure that specialist steel was made in Britain, not in Korea or Japan? The Government have turned off the tap on the drivers of growth and jobs. There is no plan for growth. They have given up on growth.

Vince Cable: Many of the specific questions about policy, the role of the local enterprise partnerships, the numbers, those that have been approved and the process of approval are dealt with in the White Paper, which is available at the Vote Office.

The whole premise of the right hon. Gentleman's central arguments is that Government performance is measured by how much money is put in, not by what we get out of it. I will come to the performance of the regional development agencies in a moment. He repeats the argument, which he has done on several occasions, of how much money we should be spending on higher

[Vince Cable]

education, further education and regional development, and I have thrown the same question back at him in all our exchanges. We know that the outgoing Government were planning to cut the budget of this Department by 20 to 25%, but he has never explained where the money was going to come from. Was it from HE, FE, regional development or science? We have never had an answer and until we have one we cannot engage in a serious debate on priorities.

The RDAs were the focus of much of the right hon. Gentleman's response. As I say, the issue is not how much the Government spend, but what they get out of it. The RDAs absorbed £19 billion over a decade, but what did they achieve? Their objective was to achieve a narrowing of the gap in growth between the north and the west midlands, on the one hand, and the south-east, on the other. If one studies the figures, one finds that in fact a widening divergence took place during the decade. The role of the RDAs in stemming that process was utterly ineffective. As the right hon. Gentleman said, the RDAs did, of course, have teeth, but they also had an enormous appetite and they consumed an enormous amount of resource with very little output. What the LEPs will have is the word "partnership"; the partnership will be between local communities and business, and this will be instead of the top-down Government-dictated approach to development.

The right hon. Gentleman asked about planning and the planning system. Let me review some of the legacy. The level of approvals for office, retail and industrial development, in a decade of relatively high growth, actually declined, while the rate of refusals increased. We have a system where every year £750 million is spent on consultancy fees and legal fees by people trying to get through the planning process. It is no wonder that very little happens. The system of planning guidance and advice that we inherited involves 7,000 pages of Government documentation; it is almost as complicated as the tax system that we inherited and it is equally dysfunctional.

The right hon. Gentleman mentioned, in passing, the key issue of housing, which is crucial not only to our population, but to local development on the ground. What is remarkable is that even in the highest boom year of 2008, fewer houses were built in Britain than at the depths of the recession of the early 1990s. In 2009, there were 118,000 housing completions, which can be set against an estimated growth in the number of households of 250,000. The system of planning and the support that the previous Government put in place failed utterly in this central task of development.

My final point is that we inherited a system of local government finance and decision making that was the most centralised in Europe. The only country in Europe that has a higher percentage of central Government funding for local government is Malta. We believe that the previous Government wanted to organise fact-finding missions to Malta to find out how they could improve by having that extra bit of centralised decision making. Our Government are trying to move to more decentralised decision making, based on local communities and a genuine partnership with business, and that is what will produce local growth.

Several hon. Members *rose—*

Mr Speaker: Order. A great many hon. and right hon. Members are seeking to catch my eye, but time is limited and we have a heavily subscribed debate to follow, so brevity from Back Benchers and Front Benchers alike is essential. Moreover, I should remind hon. and right hon. Members that they should not expect to be called unless they were in the Chamber at the beginning of the delivery of the Secretary of State's statement.

Margot James (Stourbridge) (Con): I congratulate my right hon. Friend the Secretary of State on bringing the private sector into the driving seat of the economic renewal that is very much required locally. The sector will be in partnership for the first time with local authorities, so that private business will have a seat at the table discussing infrastructure and planning matters at last. He has mentioned—indeed, we now have the White Paper—the 24 LEPs that he has approved. Will he say a little about the next steps for future LEP approvals? May I also commend my area's LEP, the Black Country LEP, for which local business leaders have great enthusiasm?

Vince Cable: In terms of private sector participation, the LEPs will have boards that are split 50:50 between business and the local communities and will be chaired by business representatives. They will be driven by business, which has a direct interest in ensuring that growth takes place. It will be a change from a begging-bowl relationship to a partnership; that is the essence of this approach. The Black Country LEP is not on the first list. The assessment made was that there was not a sufficient business input into the proposal, but we hope it will proceed very quickly.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I endorse the comment made by my fellow black country MP, the hon. Member for Stourbridge (Margot James), about the quality of the black country LEP bid, and I hope that it will be favourably considered in future. May I focus for a moment on the Secretary of State's comment about particularly welcoming bids from areas that are highly dependent on public sector employment? Such areas are often dependent on public sector employment because of the weakness of the private sector. Given that the public sector is under extreme financial pressures, can he explain how such areas will be able to put together the expertise, and have the people, time and resources, to make a bid to the regional growth fund that would be capable of balancing or rebalancing their regional economy?

Vince Cable: In terms of the process for dealing with the LEPs, we had what my colleagues call a traffic light system. Very good, imaginative proposals with a strong business input that meet the needs of economic geography were put through to the first group. Quite a lot of the proposals were yellow rather than green, and they are being processed. I hope that soon we will have a list. Some had no ambition and no private sector input, and we have simply told them that they need to think again.

It is easy, I think, to fall lazily into stereotypes about growth in areas dominated by public sector employment. I recently looked at the figures produced by my Department on the rate of growth of new company formation in different towns and cities in Britain. The best performance in the UK was in Sunderland, followed by Rotherham.

They are not archetypal south-east of England growth areas. There is a lot of entrepreneurial potential across this country, and we want to encourage and develop it.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Why have Ministers not yet agreed a local economic partnership to cover Northumberland and Tyneside? Will whatever body is created have access to the assets that have been built up for the purposes of redevelopment and the income stream that those assets can give for continuing redevelopment work?

Vince Cable: As far as the north-east—in particular the Northumberland and Tyneside area—is concerned, we were disappointed that we got a very fragmented set of proposals. What has been agreed is that Teesside will go ahead; it is in the first list. Those behind four other LEP proposals that cover almost the whole region have now agreed to work together on a north-east basis. We think that that has great promise. We said that it needed a small additional amount of work and then it would get the go-ahead, and the kind of structure that my right hon. Friend wants will proceed.

As far as the assets are concerned, my Department has set up a working group that will help to manage the RDA asset disposal issue. As I said, we will try to manage this in a careful way, with assets and liabilities together. Some will be transferred, where appropriate, to local communities, councils or the LEP, but the criterion will be getting good value for money for the taxpayer. After all, this is taxpayers' money and that is our primary requirement. There will not be gifts to local communities, but, in terms of maintaining the coherence and integrity of those developments, we will endeavour to keep them together.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. May I suggest very short questions and quick answers? That would be very helpful.

Mr Nicholas Brown (Newcastle upon Tyne East) (Lab): What the Secretary of State has announced today is very wrong. One NorthEast did a good job for the north-east of England. How can he justify some form of new localism when he is centralising every major decision in his Department and has been completely unable to answer the question of what will happen with residual assets and residual liabilities? Will he be far more specific on that point than he has been in answer to the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith)?

Vince Cable: The process is necessarily complex and we are trying to balance a series of considerations—making order and keeping continuity, as well as getting value for money—and the White Paper explains that. As far as the north-east is concerned, I am disappointed that, faced with the challenge, there was a fragmented response. We are hoping to come to a satisfactory conclusion that will have a north-eastern group together with one for Teesside.

Sarah Newton (Truro and Falmouth) (Con): I want warmly to congratulate the team of Ministers on the presentation of these very positive proposals. I am confident that they will promote growth and help Cornwall realise its economic potential. Will the Secretary of State reassure businesses in my constituency, especially those involved in the port of Falmouth master plan, that financial support from the regional growth fund will be targeted at enabling new jobs in private enterprise?

Vince Cable: Yes, it is designed to do exactly that. I can confirm that Cornwall and Isles of Scilly is one of the LEPs that is going ahead in the first wave.

Angela Smith (Penistone and Stocksbridge) (Lab): Given that the £80 million loan to Sheffield Forgemasters was all about providing strategic investment to the advanced manufacturing sector to promote private sector growth, may I take it from the Secretary of State's statement about focused intervention that his early disastrous decision to cancel the loan will be reversed, or will he continue to dig his heels in in the hope that the issue will go away? I can assure him that it will not.

Vince Cable: We have discussed this extensively in the House and in the Select Committee, and we have explained that the situation we were confronted with was that that project was not affordable. If new projects come up from there or elsewhere, they can be considered by the regional growth fund on their merits.

Mr Don Foster (Bath) (LD): May I thank the Secretary of State for allowing the west of England LEP to go ahead and advise him to educate the shadow Secretary of State on what those initials stand for? On the issue of the creative industries, does he agree that the creative industries could be one of the key drivers for growth in this country? Will he therefore assure us that the transformation of Business Link and the planned technology and innovation centres will be specifically directed to help them?

Vince Cable: My colleague is absolutely right that the contribution of the creative industries sector has been consistently ignored in the past. In terms of employment and value-added, it has at least as much growth as the financial services sector. I propose to work with my colleague in the Department for Culture, Media and Sport to bring the industry together to see what we can do to overcome the obstacles to its growth.

John Woodcock (Barrow and Furness) (Lab/Co-op): Given that the Secretary of State was too frit to face concerned students today, I guess we should be grateful that he has had the courage to come to the House at all. Given that he is here, can he explain to an area such as mine, which has greater levels of deprivation and is further away from the natural engines of growth in the economy, how exactly he will guarantee that businesses will get the support they need, given the enormous and significant cuts in funding and the fact that there is no certainty at all in the current arrangements?

Vince Cable: I think I answered that in my statement. In areas that really matter to business, such as the availability of trained manpower, there will be, as the hon. Gentleman will remember from the outcome of the comprehensive spending review, an increased number

[Vince Cable]

of apprenticeships and increased commitment to innovation centres, for example. Those are the things that really matter.

Richard Fuller (Bedford) (Con): My right hon. Friend will be aware of the enthusiasm in Bedfordshire for the proposed south-east midlands local enterprise partnership and the hard work of the Liberal Democrat mayor of Bedford for that initiative. Does my right hon. Friend agree that the response to the cry of "No funding" from Opposition Members is that the real cry here is, "No more central diktat on local growth and local funding"?

Vince Cable: My hon. Friend makes exactly the right point. This was a good example of cross-party working and it is about decentralisation and local decision making, rather than centrally driven decisions.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Will the Secretary of State explain how these arrangements could replace the vital work done by the Northwest Regional Development Agency in setting up the Daresbury science and innovation campus, which is now a national centre of scientific excellence, supporting biomedical centres across the north-west, including in Liverpool, and making Liverpool's year as European capital of culture the tremendous success it was?

Vince Cable: I would certainly be interested in finding out more about the science and innovation centre. It might well prove to be a key component of the innovation centre programme that we want to roll out across the country and would probably receive rather more support from that than it has to date. We clearly need to do this in a planned and orderly way, and I look forward to hearing more about it.

Duncan Hames (Chippenham) (LD): Businesses and business groups are more interested in the work and agenda of local enterprise partnerships than they are in their constitutions. Does my right hon. Friend share my concern that bids to establish the partnerships might as a result more closely reflect local political rivalries than the reality of business and labour market geographies?

Vince Cable: That was one of the dangers to which we were alerted. For example, when bids were simply a vehicle for local councils that wanted to create a local talking shop without proper involvement from business, they did not proceed. The bids that have been approved are businesslike, focused and well organised, and they will succeed.

Rosie Cooper (West Lancashire) (Lab): The north-west feels that it was badly misled by the Government on the future of the Northwest Regional Development Agency. As we have not had sight of the Secretary of State's decisions today on the successful 24 LEPs, will he tell us the status of the multiple bids made by Lancashire? What observations might he wish to offer Lancashire if they are not, as I suspect, one of the successful 24?

Vince Cable: Several of the best bids came from the north-west, including Greater Manchester and Liverpool city region. There is a problem with Lancashire as there are overlapping bids, fiercely competitive and different, and we are in the process of evaluating which are strongest on the criteria that we have set.

Brandon Lewis (Great Yarmouth) (Con): I congratulate the Department. I know that businesses in Norfolk that have been working to put together an LEP bid are excited, despite what the shadow Secretary of State said, about the opportunities offered by an LEP. I know they will be disappointed to be part of the gap and not to have been approved at present. Can the Secretary of State please give advice to colleagues in Norfolk and in Suffolk about what they can do to put a successful bid together?

Vince Cable: The hon. Gentleman is right. Norfolk is not on the first list. We are hoping it will be successful. The advice that I would offer is for the different councils to work together collaboratively, to involve the local business community more actively than it has been, and to be ambitious in their aims.

Jack Dromey (Birmingham, Erdington) (Lab): Advantage West Midlands was the most successful regional development agency, generating £8.14 in the private sector for every £1 of public money invested. Does the Secretary of State share the clear concern expressed by the business community in the west midlands that the combination of, on the one hand, LEPs with no resource, one third of the funding previously available to them, and facing a land grab by the Treasury, and on the other hand, no strategic structure to promote and protect the vital automotive industry in the west midlands, will hit hard the midlands region, which faces 100,000 job losses as a result of last week's spending review?

Vince Cable: I do not share the hon. Gentleman's concern, because several of the strongest bids were from the west midlands, as he knows—Birmingham, Solihull, Coventry and Warwickshire, among others. The strategic oversight and the help that we need to give to the automobile industry—he is right to continue to emphasise that and to pursue me about it—will be pursued through the Automotive Council, which is one of our most successful sectoral bodies.

Pauline Latham (Mid Derbyshire) (Con): In his letter to me of 10 September, the Secretary of State said that he would bear in mind a visit to Mid Derbyshire, where I have two companies that are losing all their jobs or greatly reducing them, and one great success story, a hosiery company called Pretty Polly and Aristoc. Will he come and explain to them the measures that he is putting in place, which I welcome and which I am sure they will welcome, so that he can tell them first-hand what we as a Government are doing?

Vince Cable: My colleague has been assiduous in pursuing me about that, and she is right to do so. That is what good constituency MPs do. There is an LEP for Derby and Derbyshire. It is one of the strongest, and I am happy to meet her to talk about the future or her specific concerns locally.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): At present, £1.9 billion of England's European regional development fund pot is still there to

be spent, but in order to be drawn down, ERDF cash must be matched by other public or private sector funding, which was co-ordinated through the RDAs. I have been looking through the Minister's booklet today and there is no clarification of the new structure. It states:

"The new delivery structure will be announced at Budget 2011."

As the coalition has placed a freeze on RDA spending beyond March 2011, including match funding, can the Minister please clarify how we are to draw down crucial ERDF funds for places such as Teesside?

Vince Cable: The hon. Gentleman is right: we need to take maximum advantage of the regional funding available from the European Union. RDAs have a residual role in that, but the process of collating our bids and making sure that we get maximum value will be led by my right hon. Friend the Secretary of State for Communities and Local Government.

Andrew Stephenson (Pendle) (Con): Businesses in Pendle and I are keen that the Pennine Lancashire bid, for which we have recently submitted additional information, will be approved soon. Will the Secretary of State reassure me that the remaining decisions on LEPs will be taken speedily?

Vince Cable: Yes, I can give that assurance. My colleague in the other place, Lord Greaves, has been bending my ear on that proposal, and it seems a good one, but we need to rationalise it.

Valerie Vaz (Walsall South) (Lab): Will the Secretary of State state his intentions for the highly skilled and independent Planning Inspectorate?

Vince Cable: The development of the planning system and what that means for policy and operationally will be set out by my right hon. Friend the Secretary of State for Communities and Local Government. He is bringing forward very soon proposals on planning reform, and I am sure he will address that issue.

Jeremy Lefroy (Stafford) (Con): I welcome the statement by my right hon. Friend and also the fact that the LEP for Stoke and Staffordshire has been approved. Given the importance of manufacturing in both my constituency, Stafford, and Staffordshire and Stoke-on-Trent as a whole, can he give us some news on the Manufacturing Advisory Service?

Vince Cable: The Manufacturing Advisory Service provides one of the best industrial support activities, and we intend to continue it and continue to fund it. With reference to the hon. Gentleman's area, I recently met representatives from several parties on the future of Stoke and the ceramics industry. Although it is a small industry, we want to continue to give support wherever we can.

Emma Reynolds (Wolverhampton North East) (Lab): Advantage West Midlands invested significantly in the i54 business site on the edge of my constituency and is maintaining and creating jobs for the local area. Will the Business Secretary reassure me that in the absence of Advantage West Midlands and a regional growth strategy, this significant asset will continue to be maintained by the Government or the local authority to ensure that it continues to bring vital jobs to the area?

Vince Cable: That is another question along the lines of the original question from my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith) about the management of RDA assets. They will be managed carefully and, where it is appropriate and sensible, they will be passed over to local organisations, but in a way that realises value for money.

Anne Marie Morris (Newton Abbot) (Con): I warmly welcome the proposals set out this morning. I am delighted. They will make a real difference in the long term in the south-west. However, looking at the approved list, I am sad that the south-west is rather bereft of LEPs, and Devon, which I represent, is not on it. Will the Secretary of State meet me to talk about the Devon proposals so that we can see what can be put right?

Vince Cable: I am sure that I or the Ministers of State in both Departments would be happy to talk about that, but the key problem, as I understand it, is that there was a dispute between several local authorities, which were not able to get their act together. They must take responsibility for that, but we want to help them through the process.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Despite all the coalition's talk of localism, I am concerned to learn today that assets currently owned by RDAs are not guaranteed to remain in local ownership. Will the Secretary of State confirm that none of the assets currently owned by the RDA, such as the Wavertree technology park in my constituency, will not be sold off by his Department?

Vince Cable: I cannot give guarantees on the treatment of specific assets. As I said, they will be managed carefully and in a way that produces value for money for the taxpayer, who originally invested in them. That will be done in a way that reinforces local development.

Bob Blackman (Harrow East) (Con): The announcements made this morning will be warmly welcomed by all progressive local authorities across the country. In keeping with the incentives to build houses for people to live in, will my right hon. Friend elucidate further the incentives that will be given to local authorities to encourage the growth of private sector businesses in their areas?

Vince Cable: It is revealing, in a way, that half an hour into questions that is the first question we have had about the key development, which is creating incentives for local authorities to grow. Those did not exist before. We have the new homes bonus. We are talking about the repatriation of business rates and a series of incentives that local authorities will in future have to grow and develop, which currently do not exist.

Mr Ben Bradshaw (Exeter) (Lab): Is not the CBI right to describe the whole process as a shambles? That is certainly what it has been in the south-west, which has fallen back into the worst parochialism and petty rivalry that bedevilled the system before RDAs. Why does not

[Mr Ben Bradshaw]

the Secretary of State think again before it is too late and he does untold damage to the economy of the south-west?

Vince Cable: My Department has been talking to the CBI, which is pleased with the outcome, as it made clear. On petty parochialism, that is a strange way for the right hon. Gentleman to describe his own local community. We have tried to ensure that the process is driven from the bottom up and is not centrally imposed. Good local authorities, working with local businesses, are producing very creative, positive ways forward. What is wrong with that?

James Morris (Halesowen and Rowley Regis) (Con): I welcome the Secretary of State's statement, particularly the emphasis on private sector jobs and skills. Can he be more specific about the time scale and process for the Black Country LEP, given the importance of private sector jobs and skills development to the black country?

Vince Cable: As I think I told one of the hon. Gentleman's colleagues earlier, there was a problem with the black country submission, which did not have a sufficiently substantial business input. We hope that those problems will be resolved within weeks rather than months, and it is important that they are, because the deadline for the first bidding round in the regional growth fund is in January, so the relevant bodies will need to progress quickly if they are to participate.

Helen Goodman (Bishop Auckland) (Lab): The Secretary of State has railed against centralisation this lunchtime, but the truth is that we in the north-east had a consensus on the value of our RDA. Only this morning, James Ramsbotham, the head of the North East chamber of commerce, complained about the pulling back of inward investment to Victoria street. When will the Secretary of State think again?

Vince Cable: I thought that there was a consensus in the north-east, but it manifested itself in a whole series of fragmented bids, and that is rather sad. Fortunately, the situation has been retrieved. Council leaders are now working and talking together, and they have produced a much better proposal, which I think will succeed. On foreign investment, it is absolutely absurd for regional development agencies throughout the country to have separate, competing ambassadors in overseas countries. Such work really has to be done much more sensibly, and the LEPs will have a role in helping foreign investors once they have committed themselves to a particular location.

Julian Smith (Skipton and Ripon) (Con): Will my right hon. Friend pay tribute to Barry Dodd and those behind the Yorkshire Enterprise Partnership, a community interest company that will work with LEPs in Yorkshire to promote inward investment and to co-ordinate opportunities throughout the county? Is that not a great example of bottom-up, rather than top-down?

Vince Cable: It is, and it also addresses the issue that Opposition Members have raised: the assumption that only if the Government provide a large budget can such organisations function. A community enterprise partnership of the kind that the hon. Gentleman describes is exactly the way to make LEPs operational and effective.

Grahame M. Morris (Easington) (Lab): Business Link, which is located on the Spectrum industrial park in my constituency, recently announced 150 job losses as a result of in-year cuts to the budget of One NorthEast. Given the announcement that we have just heard, will the Business Secretary clarify where the national Business Link contact centre is going to be based?

Vince Cable: Obviously I regret any redundancies that result from either that decision or others. Clearly, none of us relishes that prospect, but Business Link was widely criticised by the businesses for which it was designed. It was not an effective system, nor was it cost-effective for the taxpayer, so the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), is developing a new model, based essentially on website advice, but more generally, and he will unveil it shortly.

Stephen Mosley (City of Chester) (Con): May I welcome today's announcement of a Cheshire and Warrington LEP and the proposals in the White Paper for a new duty to co-operate on planning matters? Will that new duty apply across national boundaries? I represent the city of Chester, which has a Welsh border within half a mile of the city centre, and it is crucial not only that west Cheshire and Chester have a duty to co-operate with Wrexham and Flintshire in north Wales, but that Wrexham and Flintshire have a duty to co-operate with Chester.

Vince Cable: The answer is yes. We have to respect devolved powers in Wales, but the simple answer is yes: there will be an obligation to co-operate.

Nic Dakin (Scunthorpe) (Lab): How will areas such as the Humber, which has not been awarded an LEP, gain access to regional growth funds and other funds, such as the European regional development fund?

Vince Cable: They will gain access if they are able to bring forward quickly a proposal that meets the key requirements. There was a strong division of opinion, of which the hon. Gentleman will be well aware, about whether the activity should centre on Hull or on the wider Humber region. There were arguments for both, but the relevant bodies really do have to come to a decision quickly if they are to participate in this bidding round.

Iain Stewart (Milton Keynes South) (Con): I warmly welcome the go-ahead for the south-east midlands LEP. Does my right hon. Friend agree that it makes much more sense for an area such as Milton Keynes, which sits at the junction of three regions, to be grouped with its natural economic partners, rather than with an artificial area such as south-east England?

Vince Cable: The hon. Gentleman highlights briefly and eloquently why the RDA structure just did not work. As I recall, it was designed during the war to

allow for the division of aerodromes; it had absolutely nothing to do with simple economic geography. The structure that he describes is a vast improvement.

Mr Clive Betts (Sheffield South East) (Lab): I have real concerns about the Secretary of State's over-simplistic comments on housing and planning. It might surprise him to hear, however, that by page 8 of his statement I found something with which I might be able to agree. He said that local business rate retention will be considered, but will he confirm that that involves the consideration not merely of local authorities being able to keep marginal increases in business rates, but of the complete localisation of business rates, so that once again local authorities are able to control the majority of their resources? If he is prepared to confirm that, and subject to how it is done, he might find some cross-party support on that particular issue.

Vince Cable: I am glad that I have, because that is indeed exactly what we are considering, albeit with appropriate protections for business.

Mr Andrew Love (Edmonton) (Lab/Co-op): I regret, but perhaps more importantly I suspect that the Secretary of State will come to regret, the abolition of the regional development agencies. I note from his statement, however, that further discussions will take place between the Mayor of London and the London boroughs. Will the right hon. Gentleman take into account in those further discussions the sub-regional business hubs throughout London, and the growth corridors between London and areas outside London? In my area, the M11 is such a corridor. Will he take all those factors into account before making a decision?

Vince Cable: Yes, we will. In fact, one of the most imaginative and interesting LEPs is what we call the coast-to-capital LEP, uniting the south coast towns with southern London. That is exactly the kind of geographically based, common-sense approach that we want to encourage. It will link London with those parts outside the capital with which it has a natural economic affinity.

Richard Burden (Birmingham, Northfield) (Lab): In his opening remarks, the Secretary of State said that the thing that local enterprise partnerships will have is partnership. May I press him a little more on whether they will actually have any money to chase such things as the regional growth fund? Will any money be allocated for running costs, or will the money for LEPs come from children's services, emptying the bins and other local authority spending on front-line services?

Vince Cable: The Government are not providing the LEPs with a budget, but that is not to say that the partners, which include local authorities and businesses, cannot contribute to something that is in their self-interest.

Austin Mitchell (Great Grimsby) (Lab): The Secretary of State's words about localism will ring rather hollow on Humberside, where we have just had to face the postponement of improvements to the A160 in order to ease the bottlenecks building up around Immingham, Britain's busiest port. Will he follow up on what he said to my hon. Friend the Member for Scunthorpe (Nic Dakin) about the Humberside economic partnership? Business and the chamber of commerce want a pan-Humber economic partnership, but the local authorities do not seem able to agree. Which side is the Secretary of State going to be on?

Vince Cable: We will look at the quality of the proposals. An LEP is going forward for Lincolnshire, and it is a pity that the partnership did not include the unitary authorities to which the hon. Gentleman refers, but it is really for communities to get their act together. Those that have will succeed; those that do not will fall behind.

Points of Order

1.7 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): On a point of order, Mr Deputy Speaker. During a debate on housing in Westminster Hall yesterday morning, I used language that, on reflection, was clearly inappropriate and not parliamentary. I seek to withdraw those words and to apologise to you, to the House and to the right hon. and hon. Members concerned in that debate.

Mr Deputy Speaker (Mr Lindsay Hoyle): I thank the hon. Member for withdrawing his comments. He has corrected the record.

Caroline Flint (Don Valley) (Lab): On a point of order, Mr Deputy Speaker. I welcome the apology from the Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell), but will you seek an apology from the Minister for Housing and Local Government, the right hon. Member for Welwyn Hatfield (Grant Shapps)? In Communities and Local Government questions last week, the right hon. Gentleman said that between 1997 and 2010 there was a net gain of 14,000 new affordable homes. Figures published by the Department for Communities and Local Government this morning show that, actually, the Labour Government built more than 500,000 new homes during that time. In 2009-10, 56,000 new homes were built in the teeth of the recession. He should come to the House and apologise.

Mr Deputy Speaker: The right hon. Lady has put her view on the record. A mechanism exists for corrections, and these can be made. Ministers are responsible for the content of their statements and answers.

John Hemming (Birmingham, Yardley) (LD): On a point of order, Mr Deputy Speaker. Yesterday the Speaker made a statement in respect of the process for early-day motions when the Table Office is unhappy with them. I have been operating in accordance with that process on two EDMs, one relating to Andrew France, the other to Noreen Akhtar, since the start of September, and I requested that they be sent to the Speaker on 12 October, which I believe has now been done. Can the process be reviewed from the point of view of establishing a timetable? In certain situations, such as that of Noreen Akhtar, the timetable is quite important, because she is continually maltreated by Birmingham city council, which refuses to give any information about her case.

Mr Deputy Speaker: I thank the hon. Gentleman for that point of order. I will draw it to the attention of the Speaker.

Lilian Greenwood (Nottingham South) (Lab): On a point of order, Mr Deputy Speaker. Was it in order for the Secretary of State for Transport to claim in the Chamber this morning that the A453 widening scheme is in the development pool for decision in 2011 when that is simply not true?

Mr Deputy Speaker: I will certainly bring that to the attention of the Speaker. You have got it on the record.

Mr Ben Bradshaw (Exeter) (Lab): On a point of order, Mr Deputy Speaker. In his statement, the Business Secretary said that the many questions that hon. Members had would be answered in the White Paper, but that document was not in the Vote Office when he stood up to make his statement and when most Members were already in the House. May I ask that when the Government make statements on White Papers in future, they ensure that Members of this House have the document before the Secretary of State stands up?

Mr Deputy Speaker: I believe that what the right hon. Gentleman says is true, but the document is now available to Members.

Comprehensive Spending Review

1.11 pm

The Chief Secretary to the Treasury (Danny Alexander): I beg to move,

That this House has considered the matter of the Comprehensive Spending Review.

It is eight days since my right hon. Friend the Chancellor set out the conclusions of the Government's spending review—this coalition's plan to bring the country back from the brink. We had to act to tackle the deficit: it was the only option to secure our country's future. It is the only option to build a strong platform for future growth and prosperity, and we will see it through.

In charting the course for the next four years, we have made choices. We have chosen to invest in growth, jobs and the future of the economy. We have chosen to protect the most vulnerable and extend the ladder of opportunity. We have chosen to cut the costs of central Government to free up the front line. These are our priorities—growth, fairness, reform. They are the right priorities.

Several hon. Members *rose—*

Danny Alexander: I am going to get to end of this section, and I will give way then.

These are some of the most difficult decisions that any modern Government have had to make, with every number on every page representing someone's job or a service someone relies on. They are decisions that I know will affect everyone. So today I will set out why we had to act, the principles guiding our choices, and why fairness is at the heart of this spending review.

Several hon. Members *rose—*

Danny Alexander: There is an important debate to be had. The Opposition have a chance to contribute to this discussion, but the price of being taken seriously is a credible and detailed plan. They need to recognise that we cannot go on in the way that they did; they need to say which cuts they support and which they oppose, and what they would do instead. Without that, it is opposition for opposition's sake, and the country will not take them seriously.

Several hon. Members *rose—*

Danny Alexander: So today's debate also offers a challenge for Labour Members. I will be listening carefully to what they have to say, and I hope that the British public will receive a long-overdue apology for the mess that one party caused and which two parties have come together to clean up.

Fiona Mactaggart (Slough) (Lab): I thank the right hon. Gentleman for giving way—at last. He says that in order to be taken seriously, we need a plan. In order for him to be taken seriously, he needs to be truthful with people. I do not understand how he can claim that fairness is a principle of this comprehensive spending review when women have been hit twice as hard as men.

Danny Alexander: I do not accept that analysis, and I will come to that point later. The hon. Lady should be aware that her party's plans were for £44 billion-worth of cuts, which would have had an impact on people too. Many of the things that we have done, such as uprating the state pension in line with earnings and protecting the national health service, which her party would not have done, support women.

Toby Perkins (Chesterfield) (Lab): The right hon. Gentleman is perpetuating the myth that there is no alternative, but he just said that the previous Government had a strategy in place for paying off the deficit, so there is an alternative. An alternative was also put forward in 1945. He can take whichever direction he likes, but he cannot keep claiming that the decisions he is making are the only alternative, because others have been put forward.

Danny Alexander: No alternatives have been put forward by the hon. Gentleman's Front Benchers; perhaps he wants to talk to them about that.

Mr John Redwood (Wokingham) (Con): The figures assume 8% inflation over the period, but if, in the first couple of years, we have a complete pay freeze in the public sector and we buy things more cheaply, as is the plan, does not that mean that cash rises can translate into real rises in the programmes that are going up in cash terms?

Danny Alexander: The right hon. Gentleman is certainly right to say that at the end of the spending review public spending will be higher in cash terms than it is at the moment. In real terms, it will go back to the level of about 2008-09, and in terms of a share of gross domestic product to about the level of 2006-07. People need to be realistic about the scale of what is being proposed. The big gainer from the huge deficit that Labour left us with was the department of debt interest, and unfortunately it is the cost of debt interest that we have to meet.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Will the Chief Secretary give way?

Danny Alexander: I will give way one more time, and then move on.

Mr Bailey: The right hon. Gentleman has put great emphasis on the debt that he inherited and the need for the Opposition to be responsible. Given that the greater part of that debt was incurred in bailing out the banks and supporting manufacturing industry, could he be responsible and tell us what he would have cut in that position?

Danny Alexander: We have set out in detail what we would cut—that is the whole point of the spending review.

Several hon. Members *rose—*

Danny Alexander: I am going to press on; I will give way again in a moment.

The House and the British people will never forget the financial position of this country when we came into office, with £1 borrowed for every £4 spent—the

[Danny Alexander]

largest deficit in our peacetime history. Debt interest payments alone stood at £43 billion a year—that is £120 million a day.

Ian Austin (Dudley North) (Lab) *rose*—

Gordon Banks (Ochil and South Perthshire) (Lab) *rose*—

Danny Alexander: I will press on, and give way in a moment.

Thanks to Labour's profligacy, there really was no money left. The country knew it, our business leaders knew it, and, as we discovered, the Labour Chief Secretary knew it too. By May, the alarm bells were ringing—the danger was real. Whether one wants an expansive social policy, a smaller state, or more or less public spending, it must be underpinned by proper control of the public finances. If that control is lost, the policies that have been built, whatever they are, will inevitably crumble.

Stewart Hosie (Dundee East) (SNP): The Chief Secretary said that to be taken seriously one needs to have a credible and detailed plan. He then went on to say that the Government have laid out their plans in detail, so perhaps he can give us some of that detail. Which Revenue offices will shut? Where will the Department for Work and Pensions closures be? Among the 35,000 Ministry of Defence civilians, where will the jobs be lost? Will he give us the detail in the same way as when the spending plans in the 2004 and 2007 CSRs were announced?

Danny Alexander: There is a great deal of detail in the spending review document, as the hon. Gentleman knows because he has had a chance to study it, and of course Departments will set out more detail in due course. He would have a bit more credibility on the subject of controlling the public finances if his colleagues in the European Parliament had not just voted for the 6% rise in the European Union budgets.

Ian Swales (Redcar) (LD): Is the Chief Secretary aware that the 2007 CSR called for £35 billion in cuts, and that in July 2010 the National Audit Office could find only £6 billion that had been achieved? Does he agree that the failure of the last spending review makes this one much more difficult?

Danny Alexander: My hon. Friend makes a very important point. The NAO has indeed criticised the effectiveness of the previous Government's so-called efficiency programme. Many of those criticisms are well founded, and we will proceed on a very different basis. To give an example, the single indicator that they set out for local authorities to report on their own efficiencies had 66 pages of guidance for them to follow, thereby creating a huge industry in local authorities just to meet the reporting requirements.

Ms Angela Eagle (Wallasey) (Lab): The right hon. Gentleman has been talking about detail, and there is one detail that I am interested in. There was a leak from the Ministry of Justice demonstrating that it has set aside £230 million to pay for the redundancies that it has announced in its front-line staff. Can he tell the House, because he must have this figure, how much he has set aside to pay the redundancy bills for the job cuts that he has announced?

Danny Alexander: I welcome the hon. Lady to her place. I think that it is the first time we have had an exchange over the Dispatch Box, and I congratulate her on her appointment. Departments will set out their work force plans in due course. They are working on those things, and there are many things that they can do to avoid excessive redundancies. *[Interruption.]* I am not going to go into individual departmental figures.

Ms Eagle *rose*—

Danny Alexander: I am not going to give way again. These figures will be for Departments to set out.

Several hon. Members *rose*—

Danny Alexander: I am going to press on and make some progress. I will take further interventions later, but I answered the point that the shadow Chief Secretary made.

Rising interest rates choke the finances of those who borrow, and rising inflation bites on those on fixed incomes. It was the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) who once observed:

> "Public finances must be sustainable over the long term. If they are not, the poor...will suffer most."—[*Official Report*, 2 July 1997; Vol. 297, c. 303-304.]

For once, I agree with Gordon. Those who say that there is a choice between fiscal discipline and supporting growth could not be further from the truth. The choice is between a sound platform to support growth and a lack of control that would undermine it. In reality, it is no choice at all.

Gordon Banks *rose*—

Ms Angela Eagle *rose*—

Danny Alexander: I am going to press on with this section of my speech, and then I will give way in a moment.

In June's emergency Budget, we set out the road map to recovery and took the country out of the danger zone. The independent Office for Budget Responsibility examined our plans in June and forecast the economy growing and unemployment falling in every year. It also assessed that we were on course to eliminate the structural current deficit and see debt fall by the end of this Parliament, one year ahead of our mandate. The recovery will be choppy, but we are confident that our plan will see us through.

Caroline Lucas (Brighton, Pavilion) (Green): Does the Chief Secretary accept that he is introducing a benefit system based on punishment? Does he agree that anyone out of work for more than a year will now lose 10% of their housing benefit? That is punishment. What advice would he give to my constituent in Brighton who has gone for 465 jobs over the past 10 months without success?

Danny Alexander: I do not accept that. We have to control the welfare bill, which has risen dramatically over the past few years. I will come to that later in my speech.

Mr Bernard Jenkin (Harwich and North Essex) (Con): It is inevitable, of course, that individual Departments will have to set out the costs of redundancies, and it is right that they should do so in due course. However, will my right hon. Friend set out how much extra interest the Government would have to pay, and therefore how much more public spending would have to be cut in future, if we did not start to make such economies now?

Danny Alexander: My hon. Friend asks a very good question. Over the course of the spending review period, our plans will save £5 billion in debt interest, which the Labour party was very happy to pay.

Ms Angela Eagle *rose—*

Danny Alexander: I will give way one more time, then I will press on.

Ms Eagle: I thank the right hon. Gentleman. We know that he will know the answer to this question. He has set out a plan that will lead directly to 490,000 people losing their jobs in the public sector. We know that the Ministry of Justice has already made an allowance of £230 million to cover the cost of redundancies. He must have a figure for the rest of Whitehall put together, and he should now give it to us.

Danny Alexander: The hon. Lady is the shadow Chief Secretary, and we read in a memo directed to the Leader of the Opposition that the Opposition had a plan for £44 billion of cuts, but she has not set out a single piece of detail on that. As I said, Departments will set out their work force plans in due course.

The previous Government's plan was not a serious plan to deal with the deficit and support growth. It was not a fair approach. It would have led to more, not fewer, cuts in the end, because of higher debt and higher interest payments—more interest on the debt, and more interest on the interest. Compared with the plans that we inherited, we will save £5 billion in debt interest payments over the course of this Parliament.

The emergency Budget set out our plan to balance the books, and now we have shown how we will find £81 billion of savings by 2014-15. Let me put that in some context. Even at the end of that period, public spending as a share of gross domestic product will be 41%.

Several hon. Members *rose—*

Danny Alexander: I will give way at the end of this section of my speech.

That 41% figure is about the same level as in 2006-07, and the same level in real terms as in 2008. It is higher than in any year of Tony Blair's Government. Perhaps that is why he supports our strategy. That is not to say that cuts will be easy—of course they will not—but it nails the myth that we are an ideological Government, hell-bent on shrinking the state out of recognition.

Angela Smith (Penistone and Stocksbridge) (Lab): In 2007-08, the UK debt stood at 36.5% of GDP. In 1997, at the end of the last Tory Government, it was 42%. Does that fact not expose as meaningless spin the Government's line on the record of the Labour Government?

Danny Alexander: I think that that is a classic statement of deficit denial. The hon. Lady has to recognise that we are spending £150 billion more than we raise in tax—the largest budget deficit in the European Union and the largest in our country's history.

Angela Smith: Will the Chief Secretary give way?

Danny Alexander: I will not.

We also have the largest budget deficit in the G20. Those are the facts that the hon. Lady should understand.

Angela Smith: Will the Chief Secretary give way?

Danny Alexander: I will not give way again. I am going to press on.

The Chancellor's statement set out the level of departmental spending for the next four years. I will not repeat every decision now, but of course I am happy to take interventions. [Hon. Members: "You're not!"] I have taken a great deal of interventions, and I will take a few more later. Instead, I want to focus on our priorities: growth, fairness and reform.

Gordon Banks *rose—*

Danny Alexander: I give way to the hon. Gentleman.

Gordon Banks: I am very grateful to the Chief Secretary for finally seeing me up at the back here. One of the words that he mentioned was growth. How can we have growth when 1 million people are being put on the dole?

Danny Alexander: How could I miss the hon. Gentleman? I will explain the answer to his question as I make progress in my speech. He will just have to listen carefully.

Our priorities—growth, fairness and reform—guide every choice that we make. We are a pro-growth Government, focusing our capital resources on key infrastructure projects in transport and green energy.

David Wright (Telford) (Lab) *rose—*

Mrs Madeleine Moon (Bridgend) (Lab) *rose—*

Danny Alexander: I will not give way at the moment.

We are a Government with fairness at our core, and a reforming Government who leave no stone unturned in the search for waste, while devolving power and funding away from Whitehall. In answer to the hon. Member for Ochil and South Perthshire (Gordon Banks), I will address our priorities in turn, and the first is growth.

It is growth that will deliver additional jobs in the economy across England, Scotland, Wales and Northern Ireland. I have said that our plan as a whole will deliver macro-economic stability, which is crucial to restore growth and increase confidence to invest. We are not standing on the sidelines waiting for growth to happen. We have prioritised spending on the areas that can

[Danny Alexander]

deliver the best return to growth. Over the spending review period, capital spending will be slightly higher than the previous Government planned, with significant investment in transport capital across the country and more cash being spent on transport over the next four years than in the past four. We will maintain in cash terms resource spending on science, and a new green investment bank will lead the way in the economy of the future. Today we published our local growth White Paper, which includes a regional growth fund of £1.4 billion over three years and announces new local enterprise partnerships. Those actions and many others are major parts of our strategy to secure and support sustainable economic growth.

John Woodcock (Barrow and Furness) (Lab/Co-op): The right hon. Gentleman's speech so far has shown that he is sticking to the outlandish predictions of growth levels that he has made, and of unemployment falling year on year as a result. Will he reassure the House and the country that if they prove wrong, he will change course, and quickly?

Danny Alexander: Outlandish predictions by politicians were the prerogative of the previous Government. We have established an independent Office for Budget Responsibility to make forecasts. We do not make the forecasts, and I am merely quoting what the OBR had to say.

Sajid Javid (Bromsgrove) (Con): Does my right hon. Friend agree that the biggest risk to our economy is the record deficit of 10% of GDP, the highest in the G20? Had we not taken action, that would have posed a big risk and we would have lost more than 490,000 jobs. Opposition Members should think about the jobs that we would have lost had the Government not taken decisive action.

Danny Alexander: I agree wholeheartedly with my hon. Friend. If we had not tackled the deficit, the poor in this country would have suffered most.

Helen Goodman (Bishop Auckland) (Lab): Will the Chief Secretary give way?

Danny Alexander: I will give way to the hon. Lady, and then I will press on.

Helen Goodman: I am grateful. The Chief Secretary has pointed to the forecasts made by the OBR. He will know that between 1994 and 2008, the private sector created 100,000 jobs a year. In that period, growth was 2.8%. The OBR projects growth of 2.4%. How, then, is it possible that 1 million jobs can be created in the forthcoming period?

Danny Alexander: In fact the OBR forecast more private sector jobs than the hon. Lady suggests. She will know that in the past two quarters several hundred thousand jobs have been created in the private sector. I will explain later in my speech the measures that we are taking to support the private sector.

Mrs Moon: Will the Chief Secretary give way?

Danny Alexander: Not for a moment. I am going to press on with my speech. I know that many hon. Members wish to contribute, and the Back-Bench time limit is already at six minutes, so I will make some progress, if I may.

Our second priority is fairness, and let me say what I think that means. Fairness means that across the entire deficit reduction plan, those with the broadest shoulders should bear the greatest share of the burden.

Several hon. Members *rose—*

Danny Alexander: Fairness means that even in tough times, we focus our resources on extending the ladder of opportunity through early years provision and schools, and it means that we look carefully at whether we are doing right by those who receive welfare and the working families whose taxes pay for it. Those are our tests and we have met them in full. First, we have published distributional analyses that clearly demonstrate that those on the highest incomes will contribute more towards the consolidation. *[Interruption.]* That is not just in cash terms, but—

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The right hon. Gentleman is giving way, but will hon. Members please take their seats when he does not?

Danny Alexander: Thank you, Mr Deputy Speaker.

As I was saying, we have published distributional analyses that clearly demonstrate that those on the highest incomes will contribute more towards the consolidation, not just in cash terms but as a proportion of their income and consumption of public services.

Mr Alistair Darling (Edinburgh South West) (Lab): I am grateful to the Chief Secretary for giving way. So far, he seems bereft of answers to any of the questions put to him. Does he agree with the Institute for Fiscal Studies' analysis that the June Budget and last week's spending review can be fair only if the Government include all the measures that I introduced in my Budget prior to the election?

Danny Alexander: I think that the phrase "no answers" applies to Opposition Front Benchers on dealing with the deficit.

The measures included in our analyses include measures for which we will introduce legislation, such as the measures on national insurance. Those measures are part of our plan and it is perfectly appropriate that they should be included.

Several hon. Members *rose—*

Danny Alexander: I am going to press on and answer this point. I shall give way in a moment.

The right hon. Gentleman talked about our analyses counting measures proposed but not yet introduced by the previous Government. I have to tell him that the measures are as much a part of our plan as any others

we have introduced. We took the decision to proceed with them. However, I am glad to say that some of the measures proposed by the previous Government did not make it into our final analysis. We rejected the jobs tax—*[Interruption.]* They do not like it! We rejected cuts to the overall NHS budget and we rejected the idea of burdening future generations with debt. They were wrong and they were stopped.

Our progressive approach also places responsibility on the banks to make their fair contribution. We will continue to press banks to do more and to bring forward reforms to improve our financial system. That is why we introduced the bank levy. The previous Government stalled on that, saying that we would need international agreement first, but we went ahead with it. As the banks need to follow the spirit and not just the letter of the law, we have engaged in a concerted effort to get the leading banks to sign up to the code of practice on taxation by the end of November. We must ensure that everyone, no matter how rich, pays the taxes they owe. That is why we have agreed a new £900 million package for HMRC. That investment will fund a clampdown, bringing in £7 billion a year by the end of the Parliament.

Richard Burden (Birmingham, Northfield) (Lab): On banks and fairness, will the Minister confirm that families with children are being asked to contribute twice as much to deficit reduction as the banks? How is that fair?

Danny Alexander: No, I will not confirm that. We have made many spending choices to invest additional resources in families with children—a pupil premium in the schools system and an entitlement to 15 hours of free nursery care for two-year-olds in addition to the 15-hour entitlement for three and four-year-olds that we introduced.

Our clampdown on tax avoidance will bring in £7 billion a year by the end of the Parliament, because there is no place for tax cheats in our society—neither is there a place for people who cheat the benefit system. My right hon. Friend the Secretary of State for Work and Pensions has introduced new plans to tackle benefit fraud.

Several hon. Members *rose—*

Danny Alexander: I shall get to the end of this section on welfare before giving way, so hon. Members should stop troubling themselves.

On welfare—

Several hon. Members *rose—*

Danny Alexander: I shall give way at the end of the section on welfare because I know it is of interest to many hon. Members, but let me explain our position.

The welfare budget accounts for nearly £1 in every £3 spent by the Government. The cost of the welfare system has increased by 45% in the past decade. In some cases, those increases were necessary—it is right that the Government should help those who need it most—but in many cases the previous Administration's over-complicated bureaucracy trapped people in a system in which it does not pay to work. Worse still, many were simply dumped on benefits by previous Administrations and left there. That is not fair on them or the taxpayer. No one can deny that reform is essential, but the question is how the right balance should be struck.

Our approach is to move to a universal credit system over the course of two Parliaments to do away with the complexity of the current system so that it always pays to work. We will introduce a new work programme to provide personalised support to those who need the greatest help with getting back into employment, with private and third-sector providers being paid for the additional benefit savings they secure. We will fund significant above-indexation increases for the child tax credit to ensure that the spending review has no measurable impact on child poverty over the next two years. Through the welfare reforms in the spending review, we will find £7 billion of net savings on top of those identified in the Budget. Some £2.5 billion comes from removing child benefit from households with a higher-rate taxpayer. That is the largest welfare measure in the spending review and the most progressive, but it is the one that the Opposition have most vocally opposed.

Ms Angela Eagle: I thank the right hon. Gentleman for giving way on that point. There are press reports out on the wires that a source in Her Majesty's Treasury is saying that the child benefit cut is "unenforceable" and will be dropped. The press report says that it is

"panic stations in the Treasury."

Is that true?

Danny Alexander: I think it is panic stations on the Opposition Front Bench if they do not have a single answer to a single question about the action that they would take to reduce the deficit. The story that the measure is unenforceable is nonsense; it will be introduced as planned. The savings were signed off by the Office for Budget Responsibility, which considered the compliance risk involved as well. Higher-rate taxpayers are of course required to disclose all relevant information.

Ian Austin: The Minister's whole plan is based on two things: achieving, first, the biggest rate of export since 1974 and, secondly, a rise in business investment that has been matched only once in our history. Achieving both those things in the same year would be unprecedented, but the Government want to achieve both every year for three years on the trot. I know that the Chancellor and the Prime Minister do not live in the same world as the rest of us, but where did they dream that up—fantasy island?

Danny Alexander: I had planned to give way a few more times, but that intervention took so long that there will not be time to take any more for a while. The spending review is based on one simple principle: cleaning up the mess left behind by the Government of whom the hon. Gentleman was part.

We are making other welfare reforms too. We will cap household welfare payments at the average earnings of working households and we will reform housing benefit so that support better reflects the housing choices that working families have to make. That must be right. The welfare system should provide an effective safety net, but it should not pay workless families far more than most working families earn. That is where benefit traps

[Danny Alexander]

and dependency start. Our reforms mark an historic shift from dependency to independence. Our measures are tough but fair.

Kate Green (Stretford and Urmston) (Lab): Does the Minister accept that housing benefit is also an in-work benefit? The Government have presented very little evidence that out-of-work families who receive housing benefit live in significantly better conditions than any working family.

Danny Alexander: The cap that we propose, which will be debated in due course, is nearly £21,000-worth a year of housing benefit. That is more than equivalent to what most working families have to spend on their housing costs.

Matthew Hancock (West Suffolk) (Con): Does the Minister think it fair that his, my and other constituents should pay so that some people can live in houses costing £500, £600 or more a week?

Danny Alexander: No, I do not think it is fair.

Clive Efford (Eltham) (Lab): I have one simple question: will the Minister confirm that the majority of people on housing benefit are in work?

Danny Alexander: Yes; many people on housing benefit are in work. The point of our reform is to say that the fairness should be between people on out-of-work housing benefit gaining the maximum amount, which we will cap at £400 a week, so that that amount is equivalent to what people in work could receive in housing benefit.

Several hon. Members *rose—*

Danny Alexander: I want to press on, so I shall not give way.

Our third principle is reform, which manifests itself in three ways. The first is bearing down on back-office costs. Each main Government Department has found at least 33% in administrative savings: we will share services, cut down on waste and abolish quangos. The second is a massive devolution of power from the centre, reflecting our commitment to freedom and responsibility. Apart from schools and public health, we will end the ring-fencing of all Government grants to local authorities from April next year. We will reduce 90 separate core revenue grants to councils to fewer than 10. Under the previous Administration, the comparable number of grants increased by more than 500%. Our new tax increment financing borrowing powers will allow councils to fund key projects, and we have today announced that we will consider options to enable local authorities to retain locally raised business rates. We are putting the local and government back into local government.

Finally, reform means recognising that the old ways of doing things simply were not working, even in times of plenty.

Several hon. Members *rose—*

Danny Alexander: I will give way to the hon. Member for Birmingham, Erdington (Jack Dromey), then I will press on.

Jack Dromey (Birmingham, Erdington) (Lab): The House has waited in vain for a straight answer to a straight question. I know the right hon. Gentleman would like to take credit for the sun shining, and indeed for the imprint on the Turin shroud, but will he give a straight answer to the straight question asked by my right hon. Friend the Member for Edinburgh South (Mr Darling), the former Chancellor of the Exchequer? Is it true or untrue that the growth in the first three quarters of 2010 is a direct result of the measures taken by the previous Government to build Britain out of recession?

Danny Alexander: The last quarter of growth—Opposition Members were hoping that things would be worse than they are, which is a pretty poor foundation for any sort of economic policy—took place since the Budget. *[Interruption.]* Of course the previous Chancellor deserves credit for that much of his work in office—*[Interruption.]*

Mr Deputy Speaker: Order. A lot of Members want to speak in this debate, and this disorderliness is doing us no good.

Helen Jones (Warrington North) (Lab): On a point of order, Mr Deputy Speaker. Is it in order for the Chief Secretary to accuse Opposition Members without any evidence whatever of wishing for lower growth to put people out of work? That is what the Government are doing, not the Opposition.

Mr Deputy Speaker: That is not a point of order, as the hon. Lady knows.

Danny Alexander: Finally, reform means recognising that the old ways of doing things were not working.

Several hon. Members *rose—*

Danny Alexander: No, I will not give way.

The old ways of doing things were not working even in times of plenty, so we will revamp the failing system of social housing. The number of socially rented properties fell under the previous Government in total, with an increasing proportion of workless households finding themselves trapped in dependency. The terms of existing tenants and their rent levels remain unchanged under our proposals. Some new tenants will be offered intermediate rents nearer to market rent.

Several hon. Members *rose—*

Danny Alexander: I am not going to give way because many hon. Members wish to speak.

Together with capital investment, those measures will create a more flexible and responsive model, enabling the Government to deliver up to 150,000 new affordable homes over the next four years.

Several hon. Members *rose—*

Danny Alexander: No, I am not going to give way.

There will be reform, too, in the justice system. A prison population that is rising out of control is not right, let alone affordable. The guilty must be punished, but rehabilitation must be the priority.

There are major reforms in other policy areas. Across all that we do, reform is the keystone to delivering better for less.

Mr Nigel Dodds (Belfast North) (DUP): I thank the Government for their work in rescuing savers in the Presbyterian Mutual Society in Northern Ireland; they are very grateful. The Government have built on the work of the previous one, but they have brought a solution to fruition. However, may I remind the Minister of the agreement—the settlement—that was made at the time of devolution for Northern Ireland? Will he look at that again to ensure that the challenges unique to Northern Ireland are faced with confidence?

Danny Alexander: I am grateful for the right hon. Gentleman's intervention—my hon. Friend the Financial Secretary, who did a great deal of work on that issue, will have heard his compliments. I believe that we will introduce a growth paper on Northern Ireland soon, and the right hon. Gentleman's points on that are very important. I know that questions have been asked, for example, on capital spending between June 2005 and 2018. We believe that we are on track to meet those commitments, which were made some years ago.

Several hon. Members *rose*—

Danny Alexander: I am not going to give way.

The spending review will have an impact on the public sector workforce. I should like to say that the ideas, effort and commitment shown by the public sector workforce are essential to helping people to get the best from the services they provide, and we should thank them. The reforms that we are making will make the public services a more rewarding place to work—more power, more trust, more independence—but there will be an impact on employment. The best estimate remains that of the Office for Budget Responsibility, to which hon. Members have referred, which forecast in June a reduction of 490,000 employees over the next four years.

Natural turnover will play a big part, but individual employers will make their own decisions on redundancies. Each such decision will be difficult, which we recognise, so we have introduced pay restraint to protect jobs. We will monitor plans closely to try to avoid localised hotspots, and deploy our regional growth fund to support such areas.

Several hon. Members *rose*—

Danny Alexander: I will give way to the hon. Member for Warrington North (Helen Jones).

Helen Jones: The Chief Secretary is proposing to make many public sector workers redundant. Given that, why is it considered fair for others to have money in tax avoidance trusts based overseas? Considering the strategies he is introducing, will he give a commitment that no Minister in the Government has or will have money based in overseas trusts designed to avoid paying their fair share of British tax?

Danny Alexander: If the hon. Lady was listening to me earlier, she would know that we have announced significant additional investment for HMRC to tackle tax avoidance and tax evasion. Of course, every Minister should comply with tax law.

Several hon. Members *rose*—

Danny Alexander: I will give way to the hon. Gentleman sitting next to the hon. Member for Warrington North.

Huw Irranca-Davies (Ogmore) (Lab): Does the right hon. Gentleman accept that the localised hotspots he mentioned, where the cumulative impact of his measures will take the most drastic and tragic effect, include Wales, the north-east and other areas that either rely heavily on public sector workers as a proportion of the work force or where the benefits reforms will have a significant impact? Does he also accept that he will be judged in 12 or 36 months or five years of this Parliament on whether the north-east, Wales and elsewhere are disproportionately and tragically affected by the cumulative impact of the measures he is ramming through?

Danny Alexander: Of course I accept that people will judge the Government's performance on the basis the hon. Gentleman suggests. I fully understand that, which is why I am spelling out the measures we are taking to ensure that those areas that are most affected are supported through the regional growth fund. His point is important and serious, but I observe only that the previous Government created the mess of the Budget deficit. We have to clean up the problems facing our economy. The worst thing possible for Wales or other parts of the country would be to leave the deficit untackled, which would lead to lower growth, higher interest rates and less employment.

Huw Irranca-Davies *rose*—

Danny Alexander: I will not give way again to the hon. Gentleman; I shall press on.

Also in June, the OBR forecast total jobs in the economy over the next four years, which Opposition Members seem to have missed. It implies 1.6 million additional private sector jobs over the period. We will do all that we can to help those leaving the public sector to take advantage of those opportunities, and we must remember at all times that the gravest threat to jobs in our economy would be a failure to deal with the deficit. Deficit denial is the single biggest danger to employment in this country today.

Throughout the review, I have been clear on one thing: our decisions need to improve life chances. Fairness is not just the net sum of cash transfers. That is important, but there is more. Fairness is about opportunity and the chance for a better future, especially for the next generation. We know about the attainment gap between children from different backgrounds, which starts at an early age.

In these difficult times, perhaps no one would have noticed had we quietly turned a blind eye, but fairness demands more, so we have chosen to invest. That is why we have introduced a new pledge for 15 hours' child care for disadvantaged two-year-olds, matching the 15-hour commitment for all three and four-year-olds that was

[Danny Alexander]

previously introduced by this coalition Government. Cash spending on Sure Start services will be maintained, with a renewed focus on life chances. Although this has meant a greater challenge for other Departments, I am proud that the schools budget will not only match but outstrip inflation in each of the next four years. When we factor in reduced pressure from pay restraint and back-office savings, that amounts to a very significant boost to the classroom. A new £2.5 billion pupil premium will target additional resources on those with the most to gain.

We will be relentless in our focus on social mobility, and in extending the ladder of opportunity. Fairness runs through the heart of this spending review.

Keith Vaz (Leicester East) (Lab): We all accept that those are very difficult decisions. However, the chairman of the Police Federation has suggested that 40,000 police service jobs will be lost because of cuts to the Home Office budget. Does the right hon. Gentleman accept that if that happens, crime will rise?

Danny Alexander: I do not accept that analysis. Of course, it will be for individual police forces in due course to make their own decisions—*[Interruption]*—but given the potential for police forces to become more efficient, we think that there is no reason why those savings should have any impact at all on the presence of police on the front line in communities.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): On the policy to give two-year-olds 15 hours of education based on free school meal eligibility, what mechanism will be used and how much will it cost to ensure that that happens, given that there is no information about two-year-olds receiving free school meals? I have asked Ministers that question twice, but I still have not had an answer.

Danny Alexander: That is a very good question. I imagine that the hon. Gentleman intended to preface his question by saying that he welcomed the commitment to additional nursery education for the poorest two-year-olds. There are many mechanisms available, for example within the Sure Start system, that can target those pupils, and the Secretary of State for Education will no doubt make announcements in due course.

Several hon. Members *rose*—

Danny Alexander: I now intend to finish my speech with no further interruptions.

I am often asked about a plan B. Plan A is to deal with the deficit so that we can support growth and invest in fairness. But we all know that the recovery will be choppy, so plan B is to deal with the deficit so that we can support growth and invest in fairness. But we know that the road will be difficult, so plan C is to deal with the deficit so that we can support growth and invest in fairness. Nothing is more important to our future prosperity.

One party made this mess. Two parties are working together to clear it up. We will hold firm. Where we have faced tough choices we have asked, "What are the fair choices? What are the choices that support growth? How can we achieve more with less?" We have made the right choices for the right reasons. We have given our answers: now let us hear the Opposition's.

1.51 pm

Ms Angela Eagle (Wallasey) (Lab): Last week's comprehensive spending review statement has taken a huge and risky gamble with the jobs and future prosperity of millions of people in this country. This wholly unnecessary risk has been taken because this Conservative-led Government is in ideological thrall to the discredited economic mantra that shrinking the state is always the right answer. They do not state it as provocatively as Mrs Thatcher once did in the 1980s, but they believe it just as firmly. The Orange Book Liberal Democrats, led by the Deputy Prime Minister with the Chief Secretary in tow, believe it too.

Of course, the deficit has to be brought down—[Hon. Members: "Ah!"] We said that before the election and we set out a plan to do so. We also said it at the election and we have said it since. The difference between us is how the deficit is brought down. My right hon. Friend the shadow Chancellor has made it clear that we favour a different balance between spending cuts and tax rises that brings the deficit down but also protects the recovery and boosts growth. None of us should forget the backdrop to this spending review, which is families up and down the country worried about their jobs and homes. That is why the cheers and mass waving of Order Papers on the Government Benches as the Chancellor announced the largest job cuts for generations demonstrate just how out of touch they are. At that very moment at the end of his speech, the masks slipped and we saw what really motivates them. As these cuts begin to bite, the British public will not forget.

Mr Redwood: Given that between 250,000 and 500,000 people leave the public service every year voluntarily, for retirement or other reasons, will the hon. Lady now withdraw her statement that half a million people will lose their jobs under this Government? It can be done by natural wastage.

Ms Eagle: That is not my statement: it is a statement by the Office for Budget Responsibility. It is also the figure that was revealed accidentally the day before the Chancellor's statement by the Chief Secretary when he was filmed in the back of his car with open documents. It is not my figure. The right hon. Member for Wokingham (Mr Redwood) should remember that the Ministry of Justice is already planning 14,000 redundancies, as we know from a leak, and has set aside—

Matthew Hancock: Will the hon. Lady give way?

Ms Eagle: No, I shall finish answering the question. The hon. Gentleman can sit down and be patient, and we will see whether I give way to him a little later.

The Ministry of Justice is already planning cuts of 14,000 in front-line staffing. It has also set aside £230 million to pay for the costs of those redundancies. I asked the Chief Secretary what the figure was for the rest of Whitehall. He will know what that figure is, because he will have signed it off. Twice I asked him for that figure, and twice he avoided the question. It does him no credit if, knowing what that figure is, he comes to this House

for a debate on the comprehensive spending review but avoids the question of the costs to the public purse of the redundancies that will be directly caused by the statement made by the Chancellor last week. He knows that figure and he should stand up now and give it to the House. Silence is sometimes far more revealing than an answer.

Ian Swales: The hon. Lady referred to the number of job losses mentioned in the comprehensive spending review. Can she tell us how many job losses were involved in her alternative plans?

Ms Eagle: The key point about our approach to the difficulties in the world economy was that we spent and invested money to keep people in work. We know that the cost of every 100,000 people on the dole is half a billion pounds. The difference between us and the Government is that we were keeping people in work whereas they are taking people out of work. We know from PricewaterhouseCoopers that half a million jobs in the private sector that are directly connected to public sector contracts will also be lost as a result of the Chancellor's statement last week.

Angela Smith: Is it not the case that the stimulus put into the economy by the Labour Government saved more than 200,000 jobs?

Ms Eagle: Yes, according to the OBR. We saw the undisguised glee of Members opposite as they celebrated the hardship and misery that the Chancellor proposes to inflict on so many people in our society. These are not just numbers; they are police constables, care workers, teaching assistants and dinner ladies. In the private sector, they work in small businesses which rely on public sector contracts at a time when order books are empty. All those people are being asked by this Conservative-led Government to shoulder the burden of a crisis made in the banks and the dealing rooms.

Tom Brake (Carshalton and Wallington) (LD): Will we hear anything concrete from the Opposition today about their alternative proposals?

Ms Eagle: Well, the hon. Gentleman could take a look at the March Budget, which was presented to the House before the general election, and the Red Book that was published subsequently. We went into the election with far more detail about what we would do had we been re-elected than either party opposite, and at least we did not flip-flop immediately afterwards so that we could get into government.

These are not just numbers; they are the people being asked by this Conservative-led Government to shoulder the burden of a crisis that was made in the banks. It is not those who caused the crisis who will now suffer as a result of the Chancellor's reckless gamble with jobs and growth. It is the 490,000 ordinary men and women serving in the public sector whose jobs will go, and it is the 500,000 jobs in the private sector that PricewaterhouseCoopers has calculated will also be lost as a direct result of the spending review. Redundancies on the scale now threatened are not inevitable, but are the result of the Government's choice to cut further and faster.

Richard Harrington (Watford) (Con): Does the hon. Lady agree that it is a basic principle that spending money we do not have does not create long-term jobs? It creates nothing but debt, which has to be paid back. That is what the Government are doing now. That is what we need to do.

Ms Eagle: Perhaps the hon. Gentleman will agree that in an advanced economy with a social security system, if there is a recession, deficits will rise. That is why the deficit rose. What he suggests, if taken to its logical extreme, means that he would not be in favour of paying unemployment benefit to those made unemployed. They tried that in the 1930s and it did not work.

Kwasi Kwarteng (Spelthorne) (Con): What does the hon. Lady think was the reason behind our deficit being worse than that of every other country in the G20?

Ms Eagle: We entered the crisis with the second-lowest deficit in the G7. We were affected by the credit crunch because we have a very large financial services sector, which is why both sides in the House are talking about how we can rebalance our economy. We are too exposed to the kind of risks that crystallised when the credit crunch struck. *[Interruption.]* The Chancellor, from a sedentary position, asks whose fault that was. If we are going to be sensible and have a proper, nuanced, balanced and grown-up debate on this issue, all of us—as members of political parties that are, or have been, in government and in charge of running the country over the past few years—need to take our fair share of responsibility for how the banking sector came to dominate too much. Both sides of the House have to learn those lessons. I hope that we all will.

Stephen Lloyd (Eastbourne) (LD): Does the hon. Lady agree that it has been down to this Government to introduce the bank levy of £2.5 billion, and that the Labour party, when in government, failed to do so? Why did they fail to do so?

Ms Eagle: We introduced the bonus tax, which the Conservative party opposed and which raised £3.5 billion. We have said that we need to consider how to ensure that the banks shoulder their fair share of the burden in ensuring that the deficit is reduced in a sensible way.

Mrs Moon: Does my hon. Friend agree that it is depressing to see the huge ranks of men opposite talking about cuts that will affect— *[Interruption.]* Yet again, there are very few Conservative women. The one or two ladies opposite waving and shaking their papers at me do not help. The majority of Conservative Members, as always, are men, but the majority of people to be affected by the cuts will be women. It is women who will lose their child benefit and the tax credits that help them get into work, and it is women, largely, who work in the public sector and rely on its excellent flexible working conditions. Is it women who will find it harder to get into work, thanks to the Government's policies?

Ms Eagle: I do not suppose it is their fault they are men. I can blame them for some things, but not that. My hon. Friend makes a perfectly fair point though. It is clear that 65% of those who work in public services are women, that 75% of those who work in local

[Ms Angela Eagle]

government are women and that there are even higher levels working in the health service and social care. Clearly, they are on the front line, and the Government have a legal duty, which it is not clear that they have fulfilled, to take reasonable account of that fact.

Dr Sarah Wollaston (Totnes) (Con): Has the hon. Lady met people trapped on benefits, many of whom, incidentally, are women? The failure to address the perverse incentives operating in our benefits system was utterly spineless and ignored the real misery affecting those who live trapped in our benefits system.

Ms Eagle: The hon. Lady's intervention was extremely helpful. Of course I have. We have all done a great deal of work on social security reform, and I hope she will be the first to acknowledge some of the progress we made, particularly in helping lone parents into work. Tax credits and all the support we gave on child care were among the measures that were crucial in ensuring that we managed to increase significantly the number of lone parents in work when we were in office. I hope she will be the first to recognise our success in those areas. She should take a close look at the increasing rates of marginal tax that came about because of some of the changes, particularly for lone parents, and the savings made in tax credits, and she should also have a word with her party's Front-Bench team about their priorities for cuts, given that they are taking away benefits that particularly help women go out to work.

In softening up the country for this age of austerity, Ministers have been anxious to establish some myths, the first of which is that the deficit was a Labour spending choice. We heard a lot of that today from the Chief Secretary to the Treasury. The second myth is that the cuts announced are unavoidable. We need to start with some facts. When the credit crunch struck in 2008, Britain had the second-lowest debt in the G7. We had low interest rates, low inflation and low unemployment. There is nothing reckless about that. Now, however, the Conservative party and the Liberal Democrats are trying to rewrite history.

Matthew Hancock: Will the hon. Lady give way?

Ms Eagle: No.

Public spending did not cause this deficit—the global financial crisis caused it. A large deficit is what we get when the largest financial crisis since the war hits. When companies' profits are hit, tax revenues fall.

Matthew Hancock: Will the hon. Lady give way?

Ms Eagle: I said no.

When families have to work shorter hours, they pay less tax. We took a conscious decision to spend money to keep people in their jobs and homes, and I am proud that we did that. As a result of our action, unemployment was half what it had been in previous recessions and repossession levels were also half what they were in the Tory recession of the 1990s. Some of this help has been cut away in the CSR and, as a result, it is more likely that more people will lose their homes, as unemployment and the cuts begin to bite.

Sajid Javid: The hon. Lady is fond of saying, "Let's have a grown-up, sensible debate", so it would be useful if she followed her own rules. Why is she refusing to give way to my hon. Friend the Member for West Suffolk (Matthew Hancock)?

Ms Eagle: There we see it—the old boys' network writ large. They stick together, don't they?

Matthew Hancock *rose—*

Ms Eagle: Go on then.

Hon. Members: Hooray!

Matthew Hancock: I am very grateful to the hon. Lady for plucking up the courage to give way. She said that Britain went into the crisis with the second lowest deficit in the world, but she has now revised that to point out that, actually, it was the second lowest debt in the world. Does not the fact that she and her colleagues muddle up the debt and the deficit show just why we are in this mess?

Ms Eagle: Whatever happened to old-fashioned courtesy? The hon. Gentleman should ask himself why I do not want to give way to him when he is so generous and lovely to me when I do.

Money spent on infrastructure investment kept the construction sector going. As we saw from the GDP figures on Wednesday, that is still having a positive effect. The deficit was unavoidable. It was vital to support people and businesses through tough times, but let us be clear about Labour's spending before the crisis hit. Far from being too high, it was, as the Prime Minister said—I am quoting him directly—"really quite tough", while the Chancellor was urging us to spend more.

The second myth is that the scale of the cuts is unavoidable. As my right hon. Friend the shadow Chancellor has pointed out, Government propaganda has got it precisely the wrong way round. The fact is that the deficit was unavoidable; it is the June Budget and the Chancellor's spending review that are a political choice. They are not only avoidable, they are downright dangerous. That is why there was no mention of these supposedly unavoidable cuts in the manifestos of either of the parties now in government when they went to the country. That is why they have no mandate for the cuts policy that they have embarked on since the general election.

Since the election, we have seen the contortions of the Deputy Prime Minister, along with his accomplice in what we now have to call the "quad", to justify his volte-face. First he told us that he took a call from the Governor of the Bank of England as he stepped into the ministerial Jag, but the Governor begged to differ. Then the Deputy Prime Minister said that Britain was about to become Greece. That is about as close to a myth as you can get, Mr Deputy Speaker. The Government have made their choice, and we on the Opposition Benches will hold them responsible for the social and economic consequences of those choices.

Mr Chuka Umunna (Streatham) (Lab): Has my hon. Friend noticed the tendency of those on the Government Benches, and in particular the Chief Secretary and the

Chancellor, when referring to the history of the economy this year, to say that we were on the brink of bankruptcy as a country? Did she, like me, notice Lord Turnbull's appearance before the Treasury Committee this morning, when he clearly said that this country was not on the brink of bankruptcy and that there was no risk of a sovereign debt crisis?

Ms Eagle: It is quite extraordinary that we have a Chancellor who is prepared to make such alarmist statements from the Treasury. He does it for political, not economic, reasons, and it is a disgrace that he continues to do it.

Julian Smith (Skipton and Ripon) (Con): Will the hon. Lady take this opportunity to pay tribute to British business, which has created hundreds of thousands of jobs since this Government started taking the tough decisions that she flunked?

Ms Eagle: I am certainly more than happy to pay tribute to British business, but I do not connect the first part of the hon. Gentleman's question with the second.

Last week two more myths were added to the Chancellor's own special edition of Grimm's fairy tales. He now claims that the measures in the spending review are fair, and even that the scale of the cuts would have been greater under Labour. Let us start with fairness. Last Wednesday, the Chancellor told us that fairness was

"one of the guiding principles of this spending review".—[*Official Report*, 20 October 2010; Vol. 516, c. 955.]

Not for the first time, this spin lasted barely 24 hours, before the Institute for Fiscal Studies comprehensively rejected it, proving that, far from the poorest being protected, it is the poorest who will bear the brunt of the cuts. It is families with children who will pay the most. We should not be surprised at that, because the Institute for Fiscal Studies was scathing of the Treasury's analysis of who loses what.

Stephen Gilbert (St Austell and Newquay) (LD): How is it fair that in the time that the hon. Lady has been on her feet at the Dispatch Box, we as a country have spent almost £2 million servicing the interest on the debt that has been created? That is £5 million an hour and £120 million a day. What plans do the Opposition have to bring that under control?

Ms Eagle: I have talked about the importance of getting the deficit down, but the hon. Gentleman is falling for the idea that the coalition have perpetrated that it is somehow not viable to have a bill that needs to be paid. People who have mortgages have to pay them off over time, and they have to pay interest on them. However, it is not sensible for anyone to deal with their mortgage by paying it off so early that they cannot afford to feed their kids in the meantime.

Mr David Ruffley (Bury St Edmunds) (Con): Will the hon. Lady give way?

Ms Eagle: I am very happy to give way to the hon. Gentleman; it is great to see him back in the House.

Mr Ruffley: I am most grateful to the hon. Lady, although I am afraid that I will not be lovely and fluffy, or whatever it was she said she wished my hon. Friend the Member for West Suffolk (Matthew Hancock) was. Is she aware that on 18 October, 35 leading businessmen wrote a joint letter stating that delay would cost this country an extra £100 billion alone in the course of this Parliament? Are they all wrong?

Ms Eagle: I would not expect the hon. Gentleman to be fluffy—that is not a word that I would ever have associated with him—but it is still good to see him back, and I genuinely welcome his return.

It needs to be pointed out that that letter was organised by Lord Wolfson in the House of Lords, via Conservative central office. It is also interesting to note that some of the signatories of the letter have some kind of vested interest. First, quite a few are Conservatives. Secondly, BT, for example, has cut 20,000 jobs in the past year, which is not exactly helping us to replace public sector jobs with private sector jobs. Others are responsible for outsourcing and stand to make direct gains from the shrinking of the state. The hon. Gentleman can believe that guff if he wants; we do not.

The IFS has been scathing about the Treasury's analysis on the fairness front, and on who loses what. It has noted that the Treasury analysis conveniently stops in 2012-13, thereby excluding £12 billion of the announced savings—by which I mean cuts to social security. For those who remain in any doubt, let me quote directly from the IFS:

"The tax and benefit changes are regressive rather than progressive across most of the income distribution."

The Government's immediate response to that report by the IFS was to try to shoot the messenger. The Deputy Prime Minister launched into an attack on the IFS that bordered on the hysterical. He described its analysis as "distorted" and "complete nonsense". He neglected to mention the fact that before the election he had regularly lauded the IFS when the results of its analysis suited him. On 29 April, as he preened himself during the leaders' debate, he told us that he was

"really delighted at the Institute of Fiscal Studies"

for its view of Liberal Democrat proposals. Now that he is in government, he does not seem to like the IFS for pointing out an inconvenient truth.

A flip-flop here, a U-turn there—it is all in a day's work for the Liberal Democrats as they shoehorn themselves into their new and ill-fitting Tory ideology. It is now abundantly clear that, for the Deputy Prime Minister, the slight awkwardness of signing up to one of the most unfair decisions for generations will not get in his way, even if he occasionally has to struggle with his conscience on "Desert Island Discs". I know that he has argued for a different, more convenient definition of fairness, but let me tell him that there are some things that are not fair, however we define them.

Mr David Anderson (Blaydon) (Lab): I thank my hon. Friend for the sterling work she is doing here today. We have discussed the fact that this is not about fairness, and that women and children will be hit by these measures. Does she recognise this quote from Richard Hawkes, the chief executive of Scope? He says:

"Despite the continuing rhetoric that spending cuts will be fair, the Chancellor's announcements today are anything but. This will hit disabled people and their families particularly hard."

Does she believe him, or does she believe Gideon?

Ms Eagle: I think we know who to believe. There is a great deal of real worry out there about the effects of the draconian cuts in public expenditure that have been announced in the spending review.

I will tell the Deputy Prime Minister and anyone else on the Government Benches what they cannot hide about fairness. There is nothing fair about cutting 10% from housing benefit for those who are out of work for more than 12 months when there are already five people chasing every job vacancy—and that is before the Government add another million to the dole queue. There is nothing fair about expecting children to play a bigger part than the banks in getting the deficit down. There is nothing fair about failing to carry out a legally required equality assessment that would have shown that the Budget had a disproportionate impact on women, who often do the lowest paid jobs in the public sector. When it comes to the cuts under this Government, it really is women and children first. Let us have no more of these ludicrous claims of fairness from the Government.

As for the idea that the Government are cutting less than we had planned to do, there is something distasteful in a Chancellor who is prepared to skew his spending decisions, cutting an extra £7 billion from the social security budget, just to get a cheap one-liner at the end of his speech. There is nothing so cynical as a Chancellor who begins his speech by claiming that Britain has been saved from the brink of bankruptcy by his savage cuts, only to conclude it by claiming that Labour would have cut even more. He knows that he cannot have it both ways, and he knows that he has cut £30 billion more from public expenditure than we planned to do. He knows that, in doing this, he has totally failed in his pledge to protect the most essential front-line services. It is now clear that his promises are unravelling, and that there will be a major impact on our schools, our hospitals and the police.

Schools up and down the country are facing cuts in funding, thanks to a budget settlement that takes no account of rising pupil numbers; and before the Liberal Democrats start getting excited about the pupil premium, I am sorry to have to tell them that the Education Secretary has now admitted that it is simply a con. In June, the Prime Minister pledged:

> "We will take money from outside the education budget to ensure that the pupil premium is well funded". [*Official Report*, 2 June 2010; Vol. 510, c. 432.]

But at the weekend, the Education Secretary finally came clean and admitted:

> "Some of it comes from within the Department for Education budget, yes."

It is not new funding after all; it is just money being moved around within the Department to disguise budget cuts.

The IFS calculates that 60% of primary school pupils and 87% of secondary school pupils will see a real-terms funding cut to their schools as a result of the new funding formula. We knew that the Liberal Democrats supported recycling, but we did not realise that this was what they meant. We were also repeatedly told that health spending was to be protected, yet £1 billion has been raided from the NHS to make up for some of the shortfall caused by the huge cuts in local government spending. With this settlement, the Prime Minister's promise of real-terms increases in health spending will not be met.

There has been no commitment to front-line policing either. The Police Federation tells us that as many as 20,000 police will be sacked. The thin blue line has become a casualty of the thick red pen. For schools, the NHS and the police, there will be no protection for front-line services.

Tom Brake: Will the hon. Lady give way?

Ms Eagle: No. I have given way to the hon. Gentleman before.

No priority is to be given to the services that we rely on, day to day. That is the choice that the Government have made. Let us have a serious debate about the differences between us, and let us have no more nonsense from the Government about the four myths on which their entire defence of the scale of their cuts is based. Let us hear no more nonsense about the deficit being the result of the decision of one party or the fault of spending on our public services, rather than the inevitable result of a global economic crisis and the greed and recklessness of the banks.

Danny Alexander: The right hon. Lady has said that she is opposed to the welfare cuts that we have proposed, opposed to the pupil premium, opposed to the savings in the Ministry of Justice and opposed to the savings in the Home Office. Can she name one single saving that she would propose to help to tackle the deficit?

Ms Eagle: I have not said that I am opposed to all the changes in the social security budget. My right hon. Friend the shadow Chancellor supported some of the changes in welfare spending. Indeed, it was we who developed them: the Government are putting our changes into effect. Let us hear no more of this nonsense about the scale of the Government's cuts being unavoidable, rather than the result of a decision that they made on the balance between taxes and public spending cuts.

Danny Alexander: This really is quite a simple question. Can the hon. Lady name a single cut that she supports?

Ms Eagle: If the Chief Secretary had answered my questions, I might answer his. [HON. MEMBERS: "Incredible!"] What I find incredible is the fact that the right hon. Gentleman has the figures for redundancies and the costs of redundancies across Whitehall in his books. We know what the Ministry of Justice figure is, but he knows what the overall figure is, and he refuses to give it to the House. That is a disgrace.

Let us hear no more nonsense about how the spending cuts that the Government have announced were, as a result of some magical accounting trick, less than those that we planned when we were in government. The truth is that this country faced the gravest of economic challenges. The truth is that our party, in government, rose to meet that challenge, and averted a catastrophe for our country by making tough decisions to protect jobs and homes in our economy. The truth is that whatever party was in government, it would now be making decisions to pay down the deficit. Any party, including ours, would be having to make tough decisions.

It is also true that there is a clear choice in relation to what to cut, and the balance between cuts and measures to bring in revenue. My right hon. Friend the shadow

Chancellor has set out the different approach that we would be taking, which would protect not only front-line services but jobs, growth and the recovery. The Government, for ideological reasons alone, have used the deficit as a fig leaf for an assault on our public services of a kind that they had previously only dreamt of. They can talk of fairness as much as they like; they can spread myths as much as they like; but we are not fooled, and, more important, the British public will not be fooled either.

The spending review document sets out the Government's choices. Those choices were freely made. What the Government have presented is their vision of a future for our country. What we have seen is not the big society but the blueprint for a smaller, meaner and nastier society, and we reject it.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Speeches are limited to six minutes, and a vast number of Members wish to speak. We need restraint on the part of all Members, and if they can cut their speeches to less than six minutes, we may get near to the end of the list.

2.28 pm

Mr Andrew Tyrie (Chichester) (Con): Six minutes is not a long time in which to respond to such high-octane exchanges. I do not intend to add to the highly partisan exchanges that we have just heard, but given that the Treasury Committee is currently undertaking an inquiry into the CSR—the largest that has ever been undertaken—I want to make a few observations about what is in the document. I shall see how far I can get.

I am not sure that everyone will like my first observation. Indeed, I am not sure that anyone will like it. But the truth is that beneath all the political noise there is quite a wide range of cross-party agreement about the need for sharp action to tackle the deficit. At least two thirds of the correction to the deficit, or perhaps more, would have taken place whoever had won the election. That is clear from table 1.1 of the Red Book.

My second observation is that there is also a substantial consensus about overall economic strategy in the United Kingdom. That is in complete contrast to the position in the 1980s, when there were rival economic strategies. There is a consensus not just on deficit reduction, but on the need in principle to reform welfare, the need to sort out the banking system and to bring more competitiveness to it, and the need for some industrial support for biosciences and for some energy production, for example.

The third observation is that these cuts are not unprecedentedly large, as Lord Turnbull, who gave evidence to us this morning, said. The plans to cut public expenditure in the period ahead will keep it broadly steady in real terms for five years. Spending was kept broadly steady in real terms between 1984 and 1990.

Mr David Ruffley: I wonder whether that is right, because I have looked at the numbers and it would be appear that, over the period of the CSR, we will see the share of national income accounted for by public spending fall by about 6%, to 41%. That is exactly the same fall as was achieved during the first, and the start of the second, Thatcher Administrations.

Mr Tyrie: Yes, and public expenditure will be back broadly speaking to the level under the last Labour Government prior to the financial crisis.

My fourth observation is that the major parties were right to conclude that large cuts in public spending were going to be necessary to stabilise the public finances. One way of looking at this, which Lord Turnbull alluded to this morning, is to work out how much tax has been forgone as a result of the output lost during the recession. If one does that calculation, one sees that, broadly speaking, around £80 billion of tax has been forgone. The total GDP loss is around £200 billion, of which about 40% would have flowed into tax. That suggests that cuts in spending of about £80 billion are probably required.

My fifth observation is that the scope for cuts is probably better now than it was in the 1980s. That retrenchment took place not, as this one is going to, after the longest period of continuous growth for a very long time in British history, but after the doleful years of the 1970s, when there was no growth at all, which made spending cuts difficult. In addition, absolute levels of income are much higher now than they were then, meaning that absolute levels of pain will also be reduced if these cuts are targeted effectively.

My sixth observation is that some, but certainly not all, of these cuts are the result of careful longer-term planning. For example, quite a lot of thought seems to have gone into welfare reform and education. This has been planned for some years and it probably draws on quite a lot of work that was already done in Whitehall for whoever won the election.

However, if I look at defence, I find it difficult to believe that much long-term planning has been done. It is extraordinary. We are going to build two aircraft carriers which for a decade will not carry any aircraft. I am reminded of an episode of "Yes Minister" in which Jim Hacker discovers that a hospital does not have any patients. In fact it is worse than "Yes Minister", because Sir Humphrey pointed out in that episode, which I looked up, that some patients were about to be brought in. However, one of the carriers is even going to be mothballed. We would not start from here. I hope that the Public Accounts Committee will look vigorously at how the UK—and I see the Chairman nodding her head—came to sign those contracts for the carriers without any exit clauses. I also hope that we get to the bottom of whether there was scope for renegotiation of the contracts, which after all were taken out between a monopoly supplier and a monopoly demander. That should have created some scope for renegotiation.

My seventh observation is that some of the ring-fencing of public expenditure—we have quite a bit of ring-fencing—will be difficult to justify in the years ahead. I refer particularly to aid. To increase the aid budget by 37% in real terms while the justice budget is cut by a quarter in real terms takes quite a bit of justifying.

My final observation is very much a personal one: that the level of public expenditure matters irrespective of the deficit, and that it is too high. Even if there were no deficit, my own view is that having public expenditure as a proportion of GDP standing at 50% is not good for this country. It reduces choice and freedom for millions of individuals and it burdens enterprise with unacceptable levels of taxation. That is perhaps why for a large proportion of Labour's period in office they held it at

[Mr Tyrie]

about 40%, and why the Government now intend to bring it back towards that level—the level at which Labour had it in 2008.

2.35 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I am very pleased to have an opportunity to contribute to this debate, as I believe that these economic issues will be the most important issues facing this Parliament. I want to talk in particular about the effects of the spending review on London and inner-city communities—the type of community that I have lived in all my life and sought to represent over the past two decades. I also want to talk specifically about the effects of the spending review on the private sector, as they are not sufficiently debated or understood, and on the public sector, and about the particular effects on housing and housing need in London, because I think the spending review and the mix of proposals on housing benefit and cutting expenditure on public sector housing will hit London harder than any other part of the country, with consequences that I do not think the Government have calculated.

It is not sufficiently understood that more than 1 million jobs in the private sector are directly dependent on public sector contracts with private sector organisations. That is the case in construction, for example, but there are also many jobs in social care and looking after young children that are basically delivered by private sector organisations. Also, when we make these cuts and people lose their jobs, demand will be taken out of the economy, so many retail and service companies in London will suffer. These cuts will have a ripple effect in the private sector in London. The Government and their supporters in the Lib Dem party may be laughing now, but they will be laughing on the other side of their faces when the effects on the private sector become clear.

The coalition Government talk about the public sector as if it is all about men in bowler hats who can easily be switched into meaningful jobs in sectors such as banking. In Hackney and the inner city generally the majority of public sector jobs are women's jobs, however, and the majority of those women are heads of households, and far from doing peripheral or frippery jobs, they work in the heart of communities as teaching assistants or care assistants or in the voluntary sector, which will suffer because of the cuts in local government spending. These jobs are at the heart of communities. How hypocritical it is of the coalition Government to talk about the big society and then attack ordinary women working in the heart of their communities across a range of important occupations.

I have listened to what coalition Ministers have had to say, but having lived in and represented Hackney for more than 20 years, I can tell them that there are no private sector jobs for women in Hackney who will be made unemployed to step into. That is because of the structure of employment in Hackney and the inner city. Yes, we can count up the number of vacancies and the number of people who might be made unemployed, but there is a mismatch between the types of people that this coalition are going to fling into unemployment and the actual opportunities available to them, such as they are, in the City and the private sector in London generally.

We have to judge these matters on the basis not of political banter, to and fro and Punch and Judy, but of the effect on real people's—real women's—lives. The consequences for communities such as Hackney in the next financial year will be very serious indeed. The people in those communities will not have been impressed to see Ministers on the Treasury Bench laughing and congratulating themselves when the statement was read out. What were they congratulating themselves on—thousands of people losing their jobs and thousands more losing their homes?

That brings me on to housing. Members will be aware that since the 19th century one of the core activities of local government in London has been building housing—affordable, quality housing for rent. If hon. Members are not aware of that, I can take them to estates built in Hackney more than a century ago. Of course politicians then, even Tory politicians, recognised that decent housing was at the core of social stability and public health concerns. But what are we getting from this coalition? We are getting cuts in public sector housing expenditure, which, as I said, affect the traditional role of local government; cuts in people's housing benefit after a year; and, above all, a cap in housing benefit.

I put it to the Government that the majority of people claiming housing benefit are not shiftless people, but working people and those looking after disabled people. These are not people who are simply unemployed. It has been argued that we have to cut housing benefit because, horror of horror, poor people are living alongside rich people in desirable areas of the city.

Toby Perkins: My hon. Friend is reflecting on the inequities of the changes to housing benefit. Does she agree that the Government's focus on the cap is a red herring, because it is relevant to very few housing benefit recipients, and that the really important thing is the 10% cut that will hit housing benefit recipients in the second year?

Ms Abbott: I quite agree, and I am grateful to my hon. Friend for raising that issue. I have a sentence or so more to say about the cap. We have been told by the Prime Minister of the horror of poor people living alongside rich people in boroughs such as Islington and Westminster. Let me tell the Government that I can take them to the heart of the Prime Minister's Notting Hill and show them poor but entirely respectable West Indian couples living alongside merchant bankers who have bought their houses for millions of pounds. London has always been a city where rich and poor live side by side; it has never had the perfumed stockades of the upper east side of New York or the kind of social segregation seen in American cities. This type of cleansing of poor people from what are deemed to be areas that are too good for them to live in is quite unconscionable. As my hon. Friends have said, this is not just about the cap on housing benefit, although that will also have a serious effect on ordinary people in London and may well see the end of some Lib Dem MPs now sitting on the Benches opposite us; it is also about the cuts in housing benefit after a year.

What I say to the House is that we can sit here this afternoon scoring points and doing the Punch and Judy stuff, but real people in our constituencies, whose circumstances are not understood by those on the Treasury

Bench, will suffer as a result of this ill-thought-out, ill-paced and wholly ideological spending review. The credit crunch and the deficit have been the occasion of this spending review, not the reason for it.

2.43 pm

Mr John Redwood (Wokingham) (Con): At the end of the period, in 2014-15, the Government plan to spend £92 billion a year more, on current spending, on services than Labour did in its last year—that is a large 15% increase in the amount of cash. We need to ask ourselves why it is that every year public spending increases, yet the Government are proposing some extremely difficult or, in some cases, undesirable choices to be made in subsequent years to try to live within that rather big figure. I suggest to the Government that there are three areas that they could work on, and that their doing so would be in all our interests in this House, because if they could manage them better, they might not need to make so many of those difficult choices in the later years and would still be able to live within their totals and get the deficit down.

The first reason why there is a squeeze on some programmes that many Members do not want to see squeezed is the big rise in money allocated to pay for inflation; the plans assume quite a lot of public sector inflation over the five years. If the Government can do better at buying in goods and services—they are a very big purchaser and they say they are going to do so—they might reduce the average price of bought-in things. Instead of having positive inflation, they would have negative inflation on that part of the programme. If they can do a good deal with their employees, reassure them and get them to accept the kind of measures on pay that are being suggested—I believe that they are talking about a two-year pay freeze, for example—that will take a lot of extra inflation out of the system, because the biggest single item in these budgets is of course pay. Again, the more that we in the public sector can share the pain by moderate means, such as accepting pay restraint, the less we will have to take the difficult choices in later years that are built into the programme.

The next thing is staff numbers. A lot has been made so far in what passes for a debate in this House about having 490,000 fewer jobs in the public sector by the end of the period. These are not 490,000 redundancies. Given the large rate of resignations and retirements in the public sector to which the Chancellor has referred, I hope that most can be taken care of by eliminating posts after people have resigned or left.

Helen Goodman: I am most grateful to the right hon. Gentleman for giving way. Of course, in a very small-minded way, what he says is right. If those jobs are cut, where does he think that young people will get the new jobs that they need?

Mr Redwood: In the private sector, which is already generating tens of thousands of jobs every month. That is what we need to do. I am not saying that there should be a complete staff freeze. For example, if 480,000 a year are leaving, which was the Chancellor's figure in the Budget, 250,000 people could be hired while still achieving half the reduction in the first year. I think that the Chancellor might have been a bit optimistic, but he referred to an 8% rate. If the percentage was half as great, the reduction could still be made in the first two years. There could be reductions of 250,000 without a single redundancy.

I urge my right hon. and hon. Friends not to pursue the redundancy route wherever possible. It is expensive, unpleasant and disruptive. I do not want to see lots of people retiring early from the administrative services on big pensions, and I do not want to see redundancy payments made with people coming back into the public sector at a later date, leaving us to wonder why all the cost and disruption has been incurred.

The next big area that puts pressure on the increased money is debt interest. I entirely agree with the Government, and with Opposition Members who knew this when they were in government, that we have to bring the deficit down before it kills the whole budget. If we allow the deficit to keep on rising, as the Opposition originally proposed, debt interest will take more and more of the increased spending and we will have to make unpleasant cuts to the things that matter. How can we reduce that debt interest burden more quickly? If we can get more cash into the public sector, starting today—we do not need to wait to start the programme next year, as is implied in the figures—we will reduce the increase in the debt day by day. If we sell more assets, we will not have to raise so much money in the debt markets, which will keep the debt down.

It is very good news that the Government's programme has restored a lot of confidence in the markets, so that the rate at which they now have to borrow is now lower. That will obviously make a contribution to getting the debt interest rate programme down.

I have to say to the Government that I do not think that we can afford to give £80 billion to foreign countries over the CSR period. If we add the overseas aid programme to the European Union programme, the total is £80 billion over the period. I do not want to take any money away from the poorest countries or from humanitarian aid. Those are good things and I fully support the Government's intention to carry on with them, but I do not think that there is any need to subsidise China, India or Russia—nuclear weapons powers with, in the case of China, $2.5 trillion in the bank. It is a bit odd to give China a grant when we then have to borrow the money from China to pay the grant to China. That cannot make any sense.

I believe that the Government are now going to remove the aid to the richer and more successful countries. Cannot we pocket that for a couple of years and then become more generous when we have the deficit under control? May we please get the European amounts down? They are the most unforgivable ones; poor people in Britain are paying tax to offer grants to rich countries in Europe, and that is not acceptable in the current conditions.

The more that these pressures—the grants abroad, debt interest, costs, inflation and staff numbers—can be abated, the more we will have money available to do better things with the growing programmes. It is good news that nine of the Departments have level or rising cash throughout the period, but it is bad news that one or two other Departments will find that the shoe pinches a lot. That is why I think that we need to make more rapid progress in controlling costs and staff numbers, particularly in administration, and in dealing with the

[Mr Redwood]

debt interest programmes, so that we have a bit more free to ease those areas that will be very tight in future years.

I do not for one moment believe the figures from 2013 to 2015 anyway, because I think that they will be subject to subsequent revision because of the pressure of events. As inflation changes, we will need to revise them. As the state of the economy changes, we will need to revise them one way or the other. Let us hope it will outperform and we will have a bit more scope.

As an election draws near, politicians tend to want to spend more, so we should discount the 2013-15 figures and concentrate on what is happening now. Will the Government please bring forward as many of the reductions as possible to this year, and not wait until next year? The more we save now, the less we borrow and the more the pressure is reduced on subsequent years' programmes.

2.50 pm

Malcolm Wicks (Croydon North) (Lab): I shall focus specifically on child benefit, and start by sincerely congratulating the coalition Government. In 1945 the coalition Government, which involved Liberals, Conservatives and Labour, introduced family allowances—a coalition Government who got something right. It was in the mid to late 1970s that child tax allowances were amalgamated with the family allowance scheme to form child benefit.

Unfortunately, there is now a need to restate the case for family support and for child benefit. I want to explain why it is such an important scheme to maintain as a universal scheme. First, there is the societal interest in bringing up our children. No one spoke more clearly about that than Eleanor Rathbone when in 1940 she said that

"children are not simply a private luxury. They are an asset to the community, and the community can no longer afford to leave the provision for their welfare solely to the accident of individual income."

That was Eleanor Rathbone, the heroine of family support, back in 1940.

A second reason for child benefit is what we might call horizontal equity. The welfare state is not simply about poverty. In terms of child benefit, it is about the fact that whatever people's income level, if they have children, they are taking on financial responsibilities over and above those who are childless or the single. Horizontal equity is important, as we are finding out now.

Thirdly, there is the sheer cost of bringing up a child. No longer is a child someone who becomes independent at 14, 15 or 16, when they leave school and get a job. Once upon a time children might have been an economic asset on the land. Today our children, with higher and further education, are dependent on their families for longer and longer.

People have had a go at estimating the costs of a child. The most recent estimate that I have seen is from the Liverpool Victoria Friendly Society, which said that the costs of a child could be as high as £200,000. We can add on to that other indirect costs when the mother, staying at home, loses her place on the career ladder, loses salary, loses income and loses pension rights. Our children are very expensive, as many of us who are parents know. It may be that for these economic reasons, the birth rate in societies such as the UK is below replacement level. These are significant issues.

The fourth reason is extremely important. The family allowance—now child benefit—was essentially an income for mothers. That is what Eleanor Rathbone was arguing for. Despite modern times, and despite the rise of the dual worker family and the rise of women's rights, my guess would be that it is still mothers in most of our families who are responsible for juggling family budgets at different income levels. It is mums who make the judgment about whether the clothes and the shoes can be afforded, how to fund the school trips and the treats for children—*[Interruption.]* That obviously struck a chord with someone. If my hon. Friend the Member for Bishop Auckland (Helen Goodman) could also laugh at any jokes I make, that would be helpful.

The income for mothers is particularly important for mothers who, often pejoratively, are referred to as the stay-at-home mums—those who make the judgment that for the first few years, they want to look after their own children. Choice is so important. I think that in future we will see more parents wanting to spend time with their children, especially when they are young. That is why the family allowance and the child benefit have been so important, and that is why, following the modern coalition Government's announcement, we have seen so much concern from those mothers in so-called higher income families about the loss of their income. That is very important.

A fifth reason is that child benefit, alongside other benefits, is part of the universalist spine that is so crucial to a modern welfare state. Alongside free education, a free national health service, pensions and national insurance benefits, child benefit is universalism, and I believe that universalism is a major force for cohesion in our society. It is a "We're all in this together" social policy, which we start to erode with perilous implications. Child benefit is simple, easily understood and easily administered.

Mr Umunna: Will my right hon. Friend give way?

Malcolm Wicks: I am happy to give way to my constituency neighbour in Streatham.

Mr Umunna: Will my right hon. Friend also acknowledge that one of the good things about child benefit is that its take-up is so high? Take-up is one of the problems that we have with many benefits that are paid out.

Malcolm Wicks: I agree, of course, because child benefit is easily understood, simple and a universal benefit. I am very happy to agree with my parliamentary neighbour.

Child benefit is now being undermined, which is why it is so important to restate the basics in favour of family benefits. We are seeing something that will attack the very principle of women's entitlement. It will essentially punish mothers if their husbands earn above the higher tax threshold; the mums will suffer because of the father's income. As an aside, let us not assume that in the 21st century income is shared by all families; there are still families where the father keeps more than he

gives to the mother and the children. That is not just about poverty, either; it happens at other income levels, too.

The measure is also a snub to those mothers who, as I said earlier, choose to stay at home to look after their own children. We need more choices—about whether people go to work and use child care or stay at home to look after their own children. What message are we sending out to those mothers who want to care for their children in that way?

The measure also introduces, as we know, the unfairness between the dual-earner family on £80,000, who keep the child benefit, and the family with one earner above the threshold, who lose it. The measure is a recipe for complexity, and it will disincentivise those who are just below the tax threshold to earn more money in the future.

This is a measure that needs to be rethought. It undermines family support, and it undermines our children. So much for the party of the family.

2.57 pm

Stephen Williams (Bristol West) (LD): I begin by reminding the House of the background against which we debate this comprehensive spending review. We were borrowing £1 for every £4 that we spent, and that simply could not go on, whatever Government of whatever combination of parties had taken office after the general election in May.

There were more than 20 public meetings in Bristol West during the election, and at every single one I made it clear to my potential constituents that, if my party took part in a coalition after the election, as seemed likely from the polls at the time, we would have to make difficult decisions and would not shirk from doing so.

Mr Andy Slaughter (Hammersmith) (Lab): Did the hon. Gentleman make it clear at those same meetings what he was going to do on tuition fees after the election? Did he make it clear that the pledge that he was signing was not the worth the paper it was written on?

Stephen Williams: I thank the hon. Gentleman for his point. Yes, I certainly did address many student audiences during the election in Bristol West, and I made it quite clear that in an ideal world, and in ideal financial circumstances, the Liberal Democrats would have wished to abolish tuition fees from the outset. Financial circumstances did not allow us to do so, however, and that is why we had a phased plan. I spoke at the launch of the National Union of Students pledge on working with the Government for a fairer system of student finance, and I am still working with the Government and the NUS to produce such a fair system. If the Government come forward with a fair system, I will support them; if they do not, I will not.

We know that Labour planned to make billions of pounds' worth of cuts whatever happened after the election; it has been confirmed in many memoirs. But Labour Members have since been in deficit denial. They have been in denial about the need to tackle the deficit itself, and, as today's debate has shown, they have not been able to give us a single Government measure that they would support, or to put forward an alternative themselves. The coalition Government are taking the necessary steps to restore order and stability to our public finances. That will restore confidence among British businesses and confidence among countries abroad that Britain is serious about tackling its desperate situation. Confidence and low interest rates are the bedrock for ensuring that our businesses can grow.

Mr Umunna: Will the hon. Gentleman acknowledge that there is not a difference in views on the need to deal with the deficit per se but that the issue is rather the speed and the depth with which we do that? Labour Members think that we need to go for a different time scale of deficit reduction as compared with his party—or at least his party post-May of this year. Will he at least acknowledge that there is a view on deficit reduction among Labour Members, but that it may not be the same as his party's?

Stephen Williams: The hon. Gentleman is a thoughtful man who now sits on the Treasury Committee. Perhaps he thinks that this is a serious issue that needs to be tackled, but many of his hon. Friends seem to be in deficit denial. We have not heard thus far in the debate—although there are many hours to go—a single idea from the Opposition on how they would tackle the deficit, whether it is over four years or five years, which is a point of debate.

Mary Macleod (Brentford and Isleworth) (Con): Will the hon. Gentleman give way?

Stephen Williams: I am running out of time, so I will not be able to.

The Chief Secretary announced that the comprehensive spending review was designed to achieve three things. The first of those was growth, and today's statement by the Business Secretary certainly builds on that. I welcome the £1.4 billion for the regional growth fund and the local enterprise partnerships that have been set up to replace the regional development agencies. In Bristol, the South West Regional Development Agency will not be missed, and I look forward to working with our local enterprise partnership for Bristol and the west of England. I welcome the fact that the science budget has been protected in cash terms, and the fact that £250 million extra is being put into apprenticeships—something that I spoke about repeatedly in the last Parliament, when I led for my party on these issues.

I also welcome the moves towards a low-carbon economy to ensure that we have stable and sustainable growth in future, with the green investment bank and the first investment in carbon capture and storage, which the previous Government pulled out of.

I welcome, too, the transport schemes that have been announced so far this week, but I look forward to confirmation next week, when we have the announcements on rail, that the electrification of the great western main line from Paddington to Bristol and to south Wales should go ahead in order to support growth and stability in Swindon, Bristol, the west of England and south Wales.

The second theme of the CSR is reform to the welfare system, which is absolutely essential. The need for that was recognised by the last Labour Government, but now Lord Freud is a Minister in the coalition

[Stephen Williams]

Government and Lord Hutton is advising the coalition Government on how to achieve what the previous Government recognised but failed to tackle. It is a key principle that work should always pay: it should be clear to everybody that if one is in work one should be better off. However, the welfare system is a social contract between all of us, and, in addition, taxpayers must think it is fair for them to pay for it.

Glenda Jackson (Hampstead and Kilburn) (Lab): Will the hon. Gentleman give way?

Stephen Williams: Once more, and then I will run out of time.

Glenda Jackson: In the light of what the hon. Gentleman just told the House, does he support the cuts in housing benefit?

Stephen Williams: The cuts in housing benefit are an example of difficult decisions that have been made. However, I have to say to the hon. Lady—we represent similar constituencies, mine in Bristol and hers in central London—that £400 a week in housing benefit is not a miserly amount for someone to fund their accommodation.

Glenda Jackson: Will the hon. Gentleman give way?

Stephen Williams: Not again. I do not think that the coalition Government will be making people homeless on the scale that the hyperbole coming from the Opposition Benches suggests.

The third theme of the CSR is the need for fairness. In the last Parliament, I spoke many times about the importance of achieving social mobility. We know from the studies of those born in 1958 and those born in 1970 that social mobility has stagnated. There are many complicated reasons for that, not all of which can be laid at the door of the previous Government. I am sure that their intentions were good in many circumstances, but sadly after 13 years social mobility was still stuck and Britain was still the second least socially mobile country in the world after the United States. That is why I particularly welcome the fairness premium of £7.2 billion over the comprehensive spending review period that was confirmed in the review, and the £2.5 billion pupil premium, which is from additional funding from outside schools' budgets and is being introduced to help the poorest children from around our country. I grew up being entitled to free school meals and know what it is like to make the journey from poverty to a career through work and effort. Many children need support from their schoolteachers and mentoring from other people to bring about that transformation. I am a liberal interventionist and make no apology for that. It is important that that support continues through to further and higher education, so I welcome the £150 million higher education scholarship as a basis of support for young people who access higher education for the first time.

This Government inherited a desperate situation. We have the worst deficit of all the major economies in the world, at 11% of our national income. It is not entirely the fault of the banks. The structural deficit was high before the bank bail-out and continued to increase after it, and the Labour Government spent recklessly in their last days. The current Government are acting to reduce the deficit, introduce reform, encourage growth and, most importantly, encourage fairness in our society and achieve it through social mobility.

3.6 pm

Lilian Greenwood (Nottingham South) (Lab): I was particularly keen to speak in today's debate because, the day after the Chancellor delivered his statement in the Chamber, his draconian cuts greeted with cheering and waving from the Government Benches, the Prime Minister and Deputy Prime Minister headed off to a primary school in my constituency. I am not quite sure why they were there, and it seemed as though they did not know why either, but of course the kids at Welbeck primary greeted them with great delight. Prince Charles came up to the Meadows recently, so people are getting used to visitors from London.

Gordon Banks: Could the Prime Minister and Deputy Prime Minister possibly have been at the school in my hon. Friend's constituency getting some arithmetic lessons?

Lilian Greenwood: If only. I thank my hon. Friend.

What did I hear in the media coverage of the visit? I heard about the Prime Minister's amazement that he had found a lad who liked broccoli. I did not hear the Prime Minister or Deputy Prime Minister telling the kids about the huge gamble that the Government are taking with their future. They are performing a huge economic experiment. They have a theory that if we cut public spending, lose 490,000 public sector jobs and, as PricewaterhouseCoopers tells us, lose another 500,000 private sector jobs that depend on the public sector, the rest of the private sector will somehow fill the gap. They do not seem to hear the warnings of economists who disagree. Listening to Ministers last week, one would have thought that the PricewaterhouseCoopers figures had about the same credence as Mystic Meg. The Government do not want to hear about the effect of their cuts, because they want to make them.

Nia Griffith (Llanelli) (Lab): Has my hon. Friend found any evidence that the coalition Government have thought out how confidence will be created to stimulate the public sector, given that millions of people across the country are worrying that their household might be one of the million that will be hit by a job cut, and fearing that cuts to housing benefit will mean that they are left with very few pennies to spare after their mortgage payments or rent?

Lilian Greenwood: I thank my hon. Friend for that interjection. In fact, the latest figures for both consumer and business confidence are going through the floor.

Never mind the extra 1 million who will be out of work, the extra £700 million that we will have to spend on jobseeker's allowance or the loss of tax revenues; the Government's attitude is, "Cut deep and keep your fingers crossed." But did the Prime Minister say that when he was in Nottingham? Did he tell those children about his gamble? Of course not, just like he did not tell them that their families, many of whom are in the poorest 10%, would be hit harder than anyone else. He

did not mention that for all the talk of fairness, families with children will have to pay more than twice as much as the banks towards reducing the deficit. He did not mention that although his friend the Chancellor talked about continuing the decent homes programme, the funds have actually been cut.

Richard Graham (Gloucester) (Con): I am sure that the hon. Lady and all hon. Members present agree that future jobs are vital. Will she therefore join me in welcoming last quarter's figures, which show the greatest increase in new jobs for more than 20 years?

Lilian Greenwood: I am absolutely delighted that new jobs are being created. My concern is that when the cuts start to feed through that will no longer be the case.

Although some of the children whom the Prime Minister and Deputy Prime Minister were talking to will have had improvements to their homes—new windows and doors to make them secure, or new boilers or better insulation to make them warm—their classmates will not all get the same opportunity. The Prime Minister did not tell them what will be happening to some of the schools that they will go to when they leave Welbeck primary, or to the schools that their brothers and sisters might go to. The projects to rebuild Trinity and Fernwood secondary schools in my constituency have been scrapped altogether. As for the projects to rebuild Nethergate, Farnborough and Bluecoat, a few months ago, the Secretary of State for Education said that they were unaffected, but they are now being told that there is a cut of 40% in the funding available. I am sure that if the Prime Minister had asked the kids at Welbeck they could have told him that "unaffected" means not affected. Sadly, that is another broken promise and it is not fair.

Finally, let us nail the myth that this is all Labour's fault. When he spoke in the Chamber last week, the Chancellor did not mention the word "recession" once. We have just come through the biggest economic crisis in generations—a global recession. If he does not understand why the deficit is high how can he possibly understand how to fix it? The deficit went up because we had a huge fall in output and tax receipts plummeted. Spending went up so that we could protect people's homes and jobs, protect businesses and prevent the recession from becoming a depression. Labour took the right decisions and the Conservatives would have made the wrong choice every time. They are gambling with people's jobs and homes and they have no plan for growth.

Mel Stride (Central Devon) (Con): If the previous Government took the right decisions, why were we the first of the G7 countries into recession, the longest in it and the last out?

Lilian Greenwood: We suffered most during the recession because we had a high reliance on financial services. It was because our tax receipts were hit so badly that we needed to take action to protect people's jobs and homes. The Conservatives would have done nothing and they have no plan for growth. I am afraid that the next time the Prime Minister and the Deputy Prime Minister come to Nottingham, they might not get such a warm welcome.

3.12 pm

Bob Russell (Colchester) (LD): The reading comes from "Proverbs", chapter 31, verses 8 and 9:

> "Speak up for those who cannot speak for themselves;
> oppose any that go to law against them;
> speak out and pronounce just sentence
> and give judgement for the wretched and the poor."

I am grateful to Lexden Methodist church in my constituency for its notices for the week of Sunday 24 October and the thought for the week—political concerns. I mention that because of the deafening silence from the Church in the broader sense on issues of social concern, housing benefit and the housing crisis. There are enough bishops at the other end who could speak out on such issues, but I am still waiting for the Church—archbishops, bishops and cardinals, the whole lot—to speak. I am grateful to Lexden Methodist church for allowing me to put that on the record and I welcome the concept of fairness.

I am not one who says that all private is good and all public bad, or vice versa. It is important to keep a mixture of the two.

Mr Slaughter: I do not disagree with the hon. Gentleman, but I think he is being slightly unfair to the clergy. My local vicar has written asking me to join a campaign to get the Chancellor to pay his fair share of taxes following last week's "Dispatches" programme.

Bob Russell: I am grateful to the hon. Gentleman for that point, but I was talking about the major, national Church leaders. There are excellent clergy at local level. Indeed, St Margaret's church in my constituency, which is in a relatively prosperous part of one of the world's richest countries, has started a food parcel system for hard-up families. The fact that the Church at community level is doing such things speaks volumes, but our national Church leaders are not. I look forward to the Archbishop of Canterbury speaking up.

Nic Dakin (Scunthorpe) (Lab): Archbishop Sentamu said only the other day:

> "I am not an economist, and I am not a politician, but to cut investment to vital public services, and to withdraw investment from communities, is madness."

Does the hon. Gentleman recognise that Archbishop Sentamu is sticking up for people in this country? Does he agree with those sentiments?

Bob Russell: I applaud the Archbishop of York for that sentiment and those words—and indeed many others. He and I have something in common: we have both done a freefall sky dive with the Red Devils.

Earlier this morning I met the vicar of Dibley. Actually, that is not quite true. I actually met the Rev. Paul Nicholson, who is chair of Zacchaeus 2000 Trust. Before he took that position, he was the priest in the village of Turville, where "The Vicar of Dibley" was filmed. He is very concerned, as indeed I hope we all are. He points out that contrary to the *Daily Mail* examples, accommodation for people on benefits is expensive because there is a shortage of affordable housing, owing to the absence of any coherent housing policy for the past 30 years.

[Bob Russell]

The market has failed to provide affordable housing. Property speculators and landowners have grown wealthy, but the poorest tenants face the misery of eviction through no fault of their own. Eviction for rent arrears triggers homelessness, and councils must somehow address that. However, those of us who have a local government background will know that when eviction is brought about by rent arrears, the legal term "intentional homelessness" creeps in, which is a serious problem. Those who were present at Prime Minister's questions yesterday will know that I asked him about it, and I have spoken on the matter in Westminster Hall debates.

I am grateful to Family Action, a charity that was founded in 1869 and that is now sponsored by Barclaycard. Its analysis of the welfare reforms, which is entitled "Pushed Towards Poverty: 21 welfare cuts for low-income working families", adds to the anxiety of recent times, which can only get worse. Family Action supports vulnerable and disadvantaged families throughout England, including families in which parents experience mental health problems, learning difficulties, addiction or domestic violence. Critically, it works with families within their homes to improve the parenting, ensure that the children's development milestones are met, and to help them to access work, training and volunteering. The impact of the changes in general—not just housing benefit cuts—could make it harder for many families to lift themselves out of poverty through work and, in some cases, families such as the ones with whom Family Action works risk finding that employment is no longer sustainable.

In debates such as this, it is worth quoting local examples. The one big benefit of the cancellation of the Building Schools for the Future programme is that a secondary school in my constituency that the Labour Government would have closed will not now be closed. However, alongside that, we need funding for Colchester academy, which opened last month. It was Sir Charles Lucas Arts college. The pupils have a new uniform and the school a new name, but they are still using the same dilapidated building. I therefore look to the coalition Government to deliver a new building.

Finally, I shall draw the House's attention to the possible unintended consequences and knock-on effects of halting capital schemes. The Sure Start capital grant project at Kendall school in Colchester has already had £102,000 invested, but if the grant is not now forthcoming, all that money will have been wasted. That takes into account only the financial aspects, not the provision of places for pre-school children and so on. A local building company was all set to start work, planning permission has been granted and a chain reaction of education provision is on the verge of commencing for the benefit of the school and the local community, but it needs the Sure Start money.

I also wrote to the Secretary of State for Education on 23 September. I headed the letter "The Big Society—common-sense and avoiding an own goal". It relates to St John's church in Colchester where the erection of a new church hall is again dependent on the Sure Start money. If that project does not go ahead, £115,000-worth of preparatory work will be wasted and donations, bequests and fundraising work will all have been to no avail. I urge the Government to look at what is going on. These are capital investments that would generate jobs and provide benefits for the local community.

3.21 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The headlines in the debate on the comprehensive spending review have concentrated mainly on justified concerns about cuts to family support, welfare and housing. However, in my contribution I wish to focus on some of the main questions about transport.

Transport is vital to most of what happens in this country. It is vital to economic development, to enabling people to get to work and to quality of life. It enables people to lead full lives and guards against social exclusion. I welcome the headlines in the settlement on transport, including the focus on some specific investments which is very welcome, but I wish to draw the House's attention to some major issues that need much fuller investigation.

The first is that of fairness in investment and regeneration—with the accompanying jobs—across the country. At the moment, transport investment in London per head is three times higher than in other regions. It is unclear whether the proposals in the settlement will change that or simply exacerbate the difference. I welcome the announcement that Crossrail will go ahead. I know how important that is in London—and it has national implications—but there is an ominous silence about the go-ahead in a proper timescale for electrification of the Liverpool-Manchester-Preston-Blackpool line. I noted the strange answer from the Secretary of State for Transport this morning, which avoided the issue completely. We have had no clarity about electrification on the Great Western line or whether the northern hub will go ahead in the way envisaged. All those projects are important for economic regeneration and have implications for the release and provision of rolling stock across the north. We need much clearer and quicker answers to those questions.

Great concern has also been expressed about the dramatic fare increases in the settlement. The increase in train fares could see the fare from Manchester to London increase from just over £65 to £88—

Kwasi Kwarteng: Will the hon. Lady give way?

Mrs Ellman: I am sorry, but I have very little time and other hon. Members wish to speak.

Bus fares often do not get sufficient attention, but many lower-income people depend on buses to get to work and local amenities. But there will be a severe cut in bus services' operators grant, which could mean higher bus fares and fewer bus services. The cut in that grant combined with cuts in revenue support to local authorities could mean that less money is available to enable buses to be provided where services are needed for social reasons rather than to make increased profits for the bus operating companies. We have had very little clarity about what that means.

Another important matter that has not been mentioned by Government Transport Ministers concerns the implications of a settlement on the critical issue of road safety. One of the unrecognised success stories of recent years has been the big reduction in the number of fatalities and serious injuries on our roads. Every single death and serious injury is a tragedy for the individuals and their families, but it is significant that, in the past year alone, there has been a 12% reduction in the number of people killed on our roads. The reason for

that reduction is that local and central Government have combined in a number of measures to make our roads safer.

It is extremely disturbing, therefore, that we now have a cut in—an elimination of, in some cases—the specific grants to local authorities that enable them to go ahead with road safety schemes, together with a change in national direction and the abolition, I understand, and the complete axing of the previous Government's effective public education campaign on road safety. That combination of Government and local action was very important in reducing the number of road casualties. Has any thought been given to how the cuts in this spending will affect the number of deaths on our roads? That is critical.

I am also extremely concerned about the difficulties facing strategic road schemes under the new arrangements. Such schemes matter because they bring jobs and economic benefits to local areas, but the projects currently decided on through the regional allocations now have nowhere to go and, from the Transport Secretary's written statement today, it seems clear that he too has no answers. Local economic partnerships are no substitute for proper regional thinking that cuts across local authorities and provides vital economic lifelines—by giving access to ports, for example.

3.27 pm

Mr Dominic Raab (Esher and Walton) (Con): I commend Ministers on the spending review, because finally we have a Government who are prepared to address the big picture.

In the last four years of the previous Government, Britain dropped from third to 13th on the international rankings for economic competitiveness, partly because of rising global competition, but also because of the excessive inflation of the public sector. As a result, British productivity lags behind our major international competitors. According to EUROSTAT data, between 2000 and 2008, European Governments who spent 42% or less of GDP created 27% extra jobs. Governments who spent more than 42% had jobs growth of just 6%. In that period—before the banking crisis—Britain jumped from the high-jobs-growth camp to the low-jobs-growth camp. The amount of GDP consumed by the UK Government rose by 11% to 48%, and sure enough jobs growth was a paltry 5%. The evidence is plain: we cannot spend our way to economic growth.

There is nothing ideological about wanting to create jobs, and there is nothing socially fair about the welfare trap. I hear the calls every week from Opposition Members to soak the rich, but today the top 5% of earners in this country pay almost half the country's income tax. If that is not a fair share, fine, but where would the Opposition raise taxes, and by how much? The real risk with their strategy is that the brightest talent will flee this country, if they believe that talent and graft are punished rather than rewarded. The brain drain does nothing for social fairness. The July Budget and this deficit plan have brought Britain back from the cusp of default.

Yesterday, we saw Standard & Poor's triple A rating restored from negative to stable, and the task now is to drive economic growth and competitiveness. However, the spending review also addresses fairness at three levels. First, there is the snapshot of winners and losers that there will be in any budgetary process, and the matter of protecting the lowest-paid public sector employees from the pay freeze, the pupil premium and the triple lock on pensions. We must address the glaring unfairness in pay not only between the public and private sectors, but within the public sector. The best paramedic in this country can earn just one tenth of what the top NHS manager can earn. What does that say about our priorities? Some are bucking the trend. Sir Norman Bettison, the chief constable of West Yorkshire, described the idea that the public sector is competing with the private sector for talent as "costly and irresponsible nonsense". He proposes to address public sector pay restraint incrementally, starting with the highest paid 25%. His proposal merits close consideration.

The second dimension of fairness in the CSR relates to the intergenerational allocation of resources. According to the National Institute of Economic and Social Research, a failure to taekle the deficit would leave each member of the next generation having to pay £200,000 extra in taxes just to enjoy the same level of public services that we and previous generations have enjoyed. What is fair about leaving our children with a tax bill of £200,000 each?

Helen Goodman: What is fair about those of us who had a free university education not paying extra tax while our children are to be burdened with extra debt?

Mr Raab: I thank the hon. Lady for her intervention, but the problem is that the university budget as it was configured under the previous Government was simply unsustainable. That is but one of the many examples of where they ducked the problem of reform and we have addressed it.

Richard Graham: Would my hon. Friend like to ask the House which party introduced charges on university education?

Mr Raab: I will resist the temptation, but I thank my hon. Friend for his question.

Finally, the comprehensive spending review promotes the economic growth that we need—growth driven by the private sector. That is what creates jobs and pays for public services. The July Budget restored confidence, cutting corporation tax and reversing the jobs tax. Employment was up by 178,000 in the last quarter. Economic growth in the last two quarters was the highest that it had been for 10 years. We must build on that—nothing can be taken for granted—and that is why I welcome the investment in infrastructure and science. I support the plan for tax breaks in national insurance for start-up companies in their first year. However, that measure will be confined to certain regions. Will Ministers say what assessment has been made of the net effect on tax revenue of extending that important measure across the country?

I know that time is short, and I want to allow others the time to have their say. It is right that every measure in the CSR should be robustly debated and scrutinised, but without an alternative, overarching deficit plan, criticism of those measures fails the test of credibility and relevance.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Before I call the next speaker, I am going to have to reduce the time to five minutes, and even then we are really struggling, so if hon. Members can ease up on the time that they use, that would be better.

3.32 pm

Joan Ruddock (Lewisham, Deptford) (Lab): I appreciate the opportunity to make a brief contribution, which I shall limit to my constituency, and to housing benefit in particular. Lewisham is a relatively poor borough, where wages are around £26,500 per annum on average and where the mean house price in sales last year was £240,000. In common with most London boroughs, we are an area of extreme housing stress, brought about primarily by population growth and the fragmentation of households. Changes in housing benefit will have a devastating effect on people who seek to be decently housed in Lewisham.

Ministers have sought to present their cuts and their new proposals in the light of a few absolutely extortionate rents. They have spoken continuously about the cap and the fact that people should not be able to claim benefits to live in what they deem to be luxury accommodation. That is not something that affects the majority of housing benefit claimants in this country. When he sums up, will the Minister, who is not paying attention—*[Interruption]* I am glad to see that he now is paying attention. Will he tell us what proportion of all housing benefit claimants in the UK are affected by the cap? In Lewisham, fewer than one in 1,000 people will be affected. Our people are not living in luxury, but let me tell him that this change will be a tragedy for the biggest families, living in the biggest properties—often in quite squalid conditions—and they will be evicted.

The fact is that a conservative estimate made by my local authority finds that 9,050 households are affected by the generality of changes that are proposed by this Government. I further tell the Minister, to nail another myth perpetrated by this Government, that 5,000 of those are people in work.

Stephen Gilbert *rose*—

Joan Ruddock: I am advised not to allow interventions, as it will take up other Members' time.

The loss for a one-bedroom property is about £11 a week; for a three-bedroom property, £34 a week; and for a four-bedroom property, £57 a week. People cannot make up this difference from their low wages—very low in Lewisham, as I have said—and they could not make it up if they were in receipt of benefit because of unemployment. There is no way these people can make it up, so they will be evicted. What will happen then? There are 17,000 people waiting for council housing in Lewisham; there are 50 families already in bed and breakfast; there are 1,000 households in temporary accommodation. There are no alternatives for the people I am concerned about. They will not be able to rent and they will not be able to find cheaper accommodation because of the huge pressure on housing—pressure that will come from richer boroughs that try to put people out of their own area and into areas like Lewisham.

The Government argue that rents will fall. They will not. We have so many young professionals who cannot purchase property because of the prices and because they cannot get loans—and they are taking up any slack. The Government argue that this is an incentive to work—a terrible insult to those who are unemployed. When Labour were in government, unemployment fell by 50% in my constituency. We halved unemployment and the fact is that it has risen only because of the recession. People want to work and people will work.

I am absolutely sickened when I hear the Government speak about fairness. There is nothing fair about these measures—nothing fair whatever—and they are going to hurt the most vulnerable most. They are absolutely sickening. They will not drive people into work; they will not lower the prices; there is nothing fair about the housing benefit changes and nothing more punitive. This is a catastrophe in the making—a catastrophe for my people in Lewisham, for London as a whole and for this great capital city. I remember when people slept in cardboard boxes on the South Bank. This Government are planning to bring back those conditions.

3.37 pm

Jackie Doyle-Price (Thurrock) (Con): In the brief time available, I would like to direct my remarks to some of the changes announced this week as they relate specifically to my Thurrock constituency.

In building a programme of spending to go forward, the Chancellor has rightly recognised the importance of infrastructure investment for creating the right conditions for businesses to grow and for the UK to become a more competitive economy. However, there are a couple of constituency issues that I would like to put to him, and I want to ask him to think about whether, as we go forward, we are really serving my constituents well—in particular, the businesses within the constituency.

Paragraph 2.25 of the spending review states that

"subject to consultation... charges on the Dartford Crossing"

will be increased,

"alongside accelerating plans to improve traffic flow."

At this stage, it is not clear what those plans are. Motorists who are regular users of the crossing will witness that it is operating way beyond capacity and has regular delays. Moreover, the congestion regularly spills out on to the road network in Thurrock, so my constituents are regularly faced with misery caused by the congestion that is caused by users of an over-used crossing.

The local economy in Thurrock is uniquely dependent on logistics. We have a thriving port at Tilbury and we are now witnessing a massive inward investment on the part of DP World, which will generate upwards of 16,000 jobs once it is on stream. That will require a fully functioning road infrastructure network for those businesses to be the success that we want them to be in creating the jobs that we need. I urge the Chancellor, when considering where the proceeds of the tolls will be directed, to show some sympathy for making greater investment in the road infrastructure in Thurrock.

It is particularly regrettable that the Secretary of State had to announce yesterday that the proposed improvements at junction 30 had also been shelved. It is regrettable because DP World, which was investing in Thurrock, would also have made a private sector investment

contribution to the road improvements. I hope that we will soon get more clarity on the road infrastructure improvements that we are going to get to, increase capacity at the crossing.

Having said that, and although the increase in charges at the crossing are regrettable, I quite understand why the Chancellor finds himself in this position. At this stage, he is not able to turn down a nice little earner for the Government, given the mess that the public finances are in, thanks to the Labour Government.

I want to make another suggestion. When we are looking to see where we can get the most bang for our buck in public spending, we must remember that Thurrock is in Essex, and Essex is known for its entrepreneurial spirit, if for nothing else. Everyone recognises that the road improvements—at junction 30 in particular—are essential for creating the investment that could unlock 36,000 jobs in the area. It is my contention that, for every £1 invested in Essex, we will get more bang for the taxpayers' buck. I hope that the Chancellor and the Secretary of State for Transport will bear this in mind when they consider their options for increasing spending in future.

3.41 pm

Ms Margaret Ritchie (South Down) (SDLP): When the comprehensive spending review was debated recently in the Northern Ireland Assembly, there was a general feeling that, against the budgetary framework outlined at the time when devolution was restored, we had been short-changed. Notwithstanding the protestations of the Secretary of State for Northern Ireland, we have been disappointed, to say the least. I note, however, the undertakings given today by the Chief Secretary to the Treasury that the Government will keep their commitments on track. The Members of Parliament for Northern Ireland will undoubtedly hold them to that.

During that debate in the Assembly, there was an air of financial realism. Perhaps for the first time in our recent history, it has become clear to everyone in Northern Ireland that we really are responsible for ourselves and for making the best use of the available resources. I hope that it might still be possible, however, to secure improvements around the edges of the published settlement, including guarantees on policing and security; access to end-year flexibility; latitude in how welfare reform is implemented in Northern Ireland, given its unique legacy; and more freedom to borrow. For this reason, I fully support the plans of the joint First Ministers in Northern Ireland to engage directly with the Prime Minister and the Chancellor.

The impact of the CSR settlement on Northern Ireland can be assessed in three parts. First, on current expenditure, we are facing a cut in real terms of 7% by the final year of the CSR. That is challenging, but it is not insurmountable. Secondly, in regard to capital expenditure—regardless of the smoke and mirrors put in place by the Chancellor, the Prime Minister and the Secretary of State for Northern Ireland—we have been left well short of our expectations. Thirdly, on capital investment, we faced a further downturn the other day with the suspension of the Northern Ireland aggregates levy credit scheme. I want to ask the Chancellor and his Treasury team to continue the negotiations with the European Commission to ensure that that is reinstated.

The Economic Secretary to the Treasury (Justine Greening): This is a very important issue, and I want to take this opportunity to reassure the hon. Lady that that is precisely what we are doing.

Ms Ritchie: I thank the hon. Lady for her response.

The most important thing to us in Northern Ireland is the annually managed expenditure, through which our benefits are paid. What makes this iniquitous is the fact that the money does not come out of the Northern Ireland block, but directly out of the pockets and purses of benefit recipients. In Northern Ireland, that represents up to £0.5 billion being taken from some of the poorest households. The Prime Minister claims that that is fair, but what is fair about snatching the mobility allowance that is payable to people in residential care? What about the changes to child benefit? What about the changes to housing benefit? Are they fair? On the face of it, those large-scale welfare cuts have little to do with the laudable desire to help people move from benefit dependency to the dignity and self-sufficiency of gainful employment. They represent an old-fashioned onslaught on the poor.

I am a former Minister for Social Development in Northern Ireland with responsibility for benefits. Along with my successor, I have engaged in continuing discussions with the Department for Work and Pensions about welfare reform issues and the respects in which welfare reform proposals are inappropriate for Northern Ireland. I believe that we have reached a point at which we may need to redesign the social security system in Northern Ireland to make it much fairer for all, and to give ourselves greater freedom and flexibility to do things differently. I believe that that can be done without the need for an increase in the net subsidy to Northern Ireland.

We are doing a lot of thinking about how we can secure more local control of Northern Ireland's economic levers, and we expect a robust but fruitful dialogue with the Chancellor when the promised economic paper on Northern Ireland is circulated by the Government within the next few weeks. The Chancellor indicated in last week's CSR statement that both he and the Secretary of State for Northern Ireland intended to engage with all Northern Ireland Members of Parliament. As one of those Members of Parliament, and as a Northern Ireland party leader, I look forward to that discussion. There is no doubt that we need to rebalance our economy, but one thing that we must not do is throw the baby out with the bathwater and remove people from the public sector, because that will throw asunder our whole jobs and investment scenario.

3.47 pm

Stephen Gilbert (St Austell and Newquay) (LD): Let me begin by reminding the House why the country is in its present position, and why the spending review has had to be so tough. We are in this position because the last Labour Government left the largest deficit in our peacetime history, and the largest structural deficit in Europe.

What does that mean? I will tell hon. Members what it means. This year, we will spend £43 billion on debt interest alone. That is £120 million every single day. For that money, we could build a new primary school every

[Stephen Gilbert]

hour. We could triple the number of doctors in our hospitals. We could spend twice as much on education every year. I therefore do not see how it is tenable for Opposition Members to ignore the astronomical waste of money that those interest payments are leaving with us, and the unfairness of suggesting that we pass it to future generations.

Labour Members claim that they planned £48 billion of public spending cuts when they were still in government, but they forgot to tell us where those cuts would fall. Throughout the debate, I have been enlightened no further on what they would cut and how they would address the problem. I hope that, in the hours that remain, some Labour Members may come up with some ideas of their own.

The Government's comprehensive spending review sets out £1 billion less of cuts in Government Departments. The remaining plan focuses on long overdue reform of a complex and byzantine welfare system that delivers unintended effects to people throughout the country—and, of course, tax rises. The important point, however, is that the spending review is also fair. The banking levy will raise £2.5 billion a year. The last Government did not do that, and they had 13 years in which to do it. Indeed, under the last Government bankers and lawyers often paid lower taxes than those who cleaned their offices. That is something else that was left to this Government to sort out.

Mary Macleod: Does my hon. Friend agree with the leaders of 35 of the biggest companies around, including Marks & Spencer, Microsoft, Diageo and Next? They say that they believe that

"Addressing the debt problem in a decisive way will improve business and consumer confidence"

and that

"The cost of delay...would result in almost £100 billion of additional national debt".

Stephen Gilbert: I thank the hon. Lady for her intervention. Not only do I agree with those companies; I also agree with the CBI and the International Monetary Fund, which have commended these plans as the best way both to ensure growth and to deal with the deficit.

Let me be clear. The Opposition have every right to challenge and to resist the measures that the coalition Government are implementing. That is of course the Opposition's job, but they need to come clean with the British public and tell this House and the public at large what their alternative is. They will not be taken seriously until we hear different ideas from them. Today so far we have heard special pleading on transport, child benefits, housing and myriad other topics, but we have not heard anything about the measures that they would put in place to address the significant problems that we face.

The spending review has had to be tough, and of course we and our constituents will feel it, but there are many positive policies that will help create a fairer, freer and more responsible country over the next few years. One crucial area is the fairness premium that was announced by my right hon. Friend the Deputy Prime Minister.

The fairness premium involves extending 15 hours per week of free education and care to all disadvantaged two-year-olds, and a £2.5 billion pupil premium, with extra money attached to the children who need it most. Like my hon. Friend the Member for Bristol West (Stephen Williams), who has left his place, when I was at school, I was eligible for free school meals, and I know what a difference extra money going to the pupils who need it most can make. The funding will not just benefit them. By driving up standards across our schools, it will benefit every child in every school. It could be used to cut class sizes, provide one-to-one tuition and catch-up classes, or used in any way the school sees fit, ensuring that every child gets the individual attention that they need and deserve.

As everyone in the House knows, performance at school is tightly linked to future outcomes. That is where fairness can start: the funding can make a difference in the early years. Giving this country's poorest children the best possible start in life is the most effective way to lift them out of poverty and to help them to achieve their full potential. The fairness premium is therefore one of the most important policies of the spending review and I hope that it will be welcomed by Members on both sides of the House.

There is no doubt that the spending review is full of difficult decisions, but these are decisions that Labour Members shirked for the 13 years that they were in government. These are decisions that two parties coming together and acting in the national interest will be taking.

3.53 pm

Margaret Hodge (Barking) (Lab): Given the shortness of time, I will focus on my observations as Chair of the Public Accounts Committee, but I cannot let the moment pass without reflecting on constituency interests, particularly in relation to housing benefit. I share the views of my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock). The housing benefit policy will simply not even meet the Government's intent. It will not cut housing rents in the private sector in London. If the Government wish to do that, I say to them: do not punish the tenants, cut the rent. The policy will not cut public spending, but it will increase homelessness in London and that will have its impact. It will not help people get into jobs. The very people who will be frozen out of London are those who come in to clean the House of Commons at 4 in the morning and who cannot come in from places such as Dover. We will have more people coming into Barking as a result of these reforms. The policy will inflame community relations in constituencies such as mine, which will simply provide more food for the extreme right, which will exploit such issues to vicious political ends.

I want to talk about issues that I have observed in the few months that I have been Chair of the Public Accounts Committee. Whatever the political intent, I am worried that the capacity of the Government machine to respond, to manage the process and to realise the intended savings is highly questionable. If the Government fail to deliver the vicious savings that they have planned, I fear that they will return for a series of further easy but highly damaging cuts to achieve the £81 billion target. Those cuts might include further slashing the benefit bill, on which the most vulnerable depend, or introducing charges into the NHS so that it ceases to be a service that is free at the point of need.

The record of the civil service in securing efficiency savings and value for money savings is poor. We recently reviewed the performance of Departments in delivering the value for money savings required in the 2007 comprehensive spending review. After two years only a third of the savings had been achieved, and of those reported only a third were sustainable value for money savings. The great tanker of Government was unable to deliver a budget imperative. I note that the Government expect to deliver a further £6 billion from savings in back-office costs, but I am sceptical about whether that will be achieved.

There is also a presumption that closures, mergers and job cuts achieve immediate savings, but in the real world these changes involve massive upfront costs. The Government's promise that in abolishing the Audit Commission they would save £50 million started to unravel before the ink was even dry on the letter to the chairman of the Audit Commission announcing its abolition. We saw in yesterday's papers that Barnet, Britain's first "Easy Council", was embarking on a programme of savings and was planning to save £3 million in the first year, yet not only is it not going to save that amount, but it is going to spend more on the programme of savings than it will save in the year itself.

Departments operate in silos and appear to have limited understanding of the extent to which cuts in one area impact on the budget of another. Let me give just one example. Her Majesty's Revenue and Customs has planned to get tougher on fraud and theft, which we all welcome, and it expects to collect a further £7 billion in taxes, but the law officers are taking a 24% cut in their budget, so the Crown Prosecution Service is far less likely to be able to prosecute complex tax cases. If the Government do not consider the effects of the cuts on a whole-system basis, I have absolutely no doubt that my Committee will see Departments passing the buck among themselves for this failure.

If the Government are driven by ideology and do not intend to pursue their policies pragmatically, we will fail to deliver value for money and we will waste public money, forcing cuts elsewhere. In this respect, I offer the example of the pathways to work programme. We demonstrated in our report that private providers perform far less well in delivering jobs and cost more, and that Jobcentre Plus is much more effective, yet the Government, driven by ideology, are determined to privatise that programme.

My Committee will keep a close eye on whether the Government meet their own objectives and do actually deliver on fairness and efficiency in the cuts they make.

3.58 pm

Mel Stride (Central Devon) (Con): I have sat through most of this debate with a sense of growing incredulity at the collective amnesia and denial of Opposition Members who, quite simply, are unprepared to face up to the reality of the fiscal disaster they have bequeathed to us to attempt to clear up. Let me just remind them of some of the figures. *[Interruption.]* I am pleased to see that they find this so amusing: £270,000 per minute in debt interest, £120 million a day, £43 billion per year—which is more than we spend on education. That is a disgrace.

Let me put this in historical context. In 1976, when another Labour Chancellor, Denis Healey, went cap in hand to the International Monetary Fund because this country was busted, our deficit represented about 7% of GDP. Today, it stands at 11.4%. Our house is well and truly economically out of order. This will not only affect our children, who will have to pick up the strain in repaying the debt. It has also affected our standing in the world, because this country has the worst deficit in the G20. Our deficit is worse than that of many Latin American countries: Brazil has a nominal annual deficit, as of April 2010, of a little over 3%, compared with ours of 11.4%, so we are 300% behind Brazil. It has come to something when we have to look enviously at Latin America's fiscal position.

Much has been said about how quickly the Government have determined to reduce the structural deficit over the lifetime of this Parliament, but many are on our side, including the OECD, the Bank of England and the Office for Budget Responsibility. Let us not forget that Labour's plan and proposal, as far as there is one, is to halve our structural deficit over the period of the review. That would leave us with £100 billion in additional debt and an additional £5 billion in interest to pay on it. I see Labour Members sighing, but perhaps they could tell us what they are going to cut to find that extra £5 billion or what extra taxes they are going to raise to meet that requirement.

Rehman Chishti (Gillingham and Rainham) (Con): Does my hon. Friend agree that the International Monetary Fund's statement was clear about the fact that what the Government are doing is right and proper, and will lead to growth in the long term?

Mel Stride: My hon. Friend is entirely correct, and there is no doubt that if the Government had not taken prompt action as we did in the emergency Budget in June, we would have been that close to a Greek-style economic meltdown.

Alison McGovern (Wirral South) (Lab): Will the hon. Gentleman explain to the House how our debt was similar to that of Greece, given that the Debt Management Office in this country has been far better and we have far better terms? The question of whether the debt is sustainable is what leads to crises, not the amount of deficit, given the size of our economy.

Mel Stride: The answer to that is that we came that close because the credit rating agencies, such as Standard & Poor's, came that close to downgrading our triple A status. The consequence would have been that the Government, in funding their debt through their bonds and gilts, would have had trouble getting those debt requirements away, interest rates would have risen, mortgages would have gone up through the roof and the businesses on which we are counting to pull us out of the malaise that we are in would have been crippled by higher interest rates. That is the basic economics that Labour Members fail to understand—

Mr David Hanson (Delyn) (Lab) *rose*—

Mel Stride: I will not give way because I have limited time available. *[Interruption.]* In the great tradition of not giving way, I will not give way after taking two interventions. One very important point is that we must look to the private sector to create the jobs. It is true that the OBR has said that 490,000 jobs will be lost in

[Mel Stride]

the public sector, and there is no getting away from it. It is also true that PricewaterhouseCoopers has suggested that 500,000 jobs in the private sector might go as a consequence of the slimming down of the public sector. So we must look to growth from the private sector.

I am therefore very pleased that this Government have had such a firm and positive focus on private sector growth. We have removed national insurance for new business start-ups outside London and the south-east; we will bring corporation tax down, in steps, over the next four years from 28 to 24%; and we have cut red tape. We have also created the regional growth fund, which we heard about in the Business Secretary's statement earlier today. It involves some £1.4 billion, much of which is to be channelled into the very areas of the country where the private sector is weakest and the public sector has been strongest, and I welcome that as positive action.

I also welcome the fact that the Government are listening to business in a way that their predecessors never did. The Conservative party is a party that understands business; we understand how difficult it is to create the wealth that is needed to supply the public services that all in this House want.

Chris Williamson (Derby North) (Lab): Will the hon. Gentleman give way?

Mel Stride: I will not give way now, because I have very little time left.

I am also pleased that the OBR, an independent body, has stated that employment will grow in every year across this plan. I know that one swallow does not make a summer, but it is encouraging that in the last quarter—the one up to the end of September—growth was double that anticipated, at 0.8% as opposed to 0.4%. That is an encouraging sign. The Opposition should cheer at that. They should stand up for our country. They should feel good about the fact that we are improving where we are going and that we are beginning to make a difference—a difference that they never achieved.

I want to talk briefly about fairness, which is at the heart of the CSR. I want to challenge the IFS's point that somehow the CSR is regressive. It is to an extent, if one considers taxation and benefits, but if one includes the use of public services, it is not regressive. It is a progressive move.

I welcome the fact that we are going to keep 50% as the higher rate of tax, with 800,000 people coming out of taxation altogether, and child benefit being means-tested. The £2.5 billion that will be saved is exactly the amount that will go into the pupil premium to help the poorest children in our land. Those are all aspects of fairness, and we cannot build a society based on social justice on a mountain of debt. I commend the review to the House.

4.5 pm

Stewart Hosie (Dundee East) (SNP): The one thing that I would say about the CSR is that—no matter how many times the Chancellor said it during his statement, no matter how many times the Chief Secretary said it today and no matter how loudly the hon. Member for Central Devon (Mel Stride) said it a moment ago—it was not fair. The cuts—£81 billion a year by 2014-15—and the tax rises were not unavoidable.

Every decision taken by the coalition was a political one, but it was the failure to understand the consequences of the decisions that astonished me. Nowhere was that more so than in the defence elements of the CSR and the strategic defence and security review that went along with it. The decision to cancel the Nimrod programme puts a huge threat over RAF Kinloss and a huge question mark over RAF Lossiemouth.

Greg Hands (Chelsea and Fulham) (Con): What would happen under Scottish independence?

Stewart Hosie: The Parliamentary Private Secretary is chuntering away about Scottish independence. It is interesting, is it not? He normally wants to deprecate countries such as Ireland and Iceland, but they still sit above the UK in the world prosperity league. I shall give him a copy of *The Scotsman* to look at later, before he decides on another ill-judged sedentary intervention.

The bottom line is that those defence cuts threaten to add to the 10,000 military job losses under Labour and to the £5.6 billion military underspend in Scotland under Labour. Far more importantly, they would represent a 25% reduction in the entire military footprint in Scotland. If the cuts go ahead, they will represent a 25% hollowing out of the entire economy of Moray. When Conservative Ministers say that we are all in it together, it strikes me that that is not absolutely true and that it is not absolutely fair.

The CSR was not just about the Scottish block but about other UK spending decisions, yet somehow Scotland was portrayed as doing better than most UK Departments. That is nothing but spin. The House of Commons Library makes it clear that the Department of Health, the Department for International Development, the Department of Energy and Climate Change, the Department for Work and Pensions, the Ministry of Defence, the Cabinet Office, the Treasury, the Law Officers, the Northern Ireland Office, the Department for Culture, Media and Sport, the Foreign and Commonwealth Office, Her Majesty's Revenue and Customs and the Wales Office all did better. A little more substance and a little less spin would not go amiss.

That is important because the cuts represent £1.3 billion in cash terms next year and, above all expectations, there will be an £800 million cut in capital expenditure. That directly threatens 12,000 Scottish jobs. It is dreadfully disappointing—the cuts were announced on the same day as the Scottish quarter 2 GDP figures, which showed Scottish growth up at 1.3%, above the 1.2% for the UK, and confirmed the decision to have direct capital investment to protect jobs during the recession. That makes it all the more ludicrous that the Government would seek cuts of such magnitude before recovery is secure.

Rehman Chishti: Did the hon. Gentleman respond to the Government's spending challenge with his own ideas about where the savings should be made, with £44 billion as a starting point?

Stewart Hosie: What I did, possibly before the hon. Gentleman was a Member of the House, was to table amendments to previous legislation to set out a much

more sensible framework for a proper programme of fiscal consolidation, based on the successful New Zealand model, rather than the flawed Canadian model that his party and the Liberal party are now following.

One of the things that I find extraordinary, which the Chief Secretary could not explain earlier, was the lack of detail in the Government's plans. The Department for Transport is expected, among other things, to reduce its administrative costs by one third—£100 million a year. The Department for Business, Innovation and Skills is expected, among other things, to reduce its administrative costs by £400 million. In the Home Office, the UK Border Agency is expected to cut its support function costs by £500 million.

I am not necessarily saying that that cannot be done: what I am asking is how. Which offices will close, how many jobs will be lost, how many staff will be sacked, and where are they located? Of the 42,000 job losses in the military—the 25,000 civilian and the 17,000 uniformed—which ones are those, in which units, where are they currently based, and when will they go? Why would not or could not the Chief Secretary give us that information today? It gives the impression that the Government are making it up as they go along.

I am aware that time is short and I know that many other Members want to speak, so I have a specific question for Treasury Ministers. Page 50 of the comprehensive spending review makes it clear that

"interest rates on Public Works Loan Board (PWLB) loans have been increased to 1 per cent above UK government gilts."

It goes on to add, unsurprisingly:

"The amount of self-financed capital expenditure is forecast to fall by 17 per cent over the four years."

This will bring in to the Government, according to the table on page 12, £1.3 billion. That will be about £120 million from Scotland.

Will the Minister please confirm that there will be a requirement in Scotland for another £120 million of cuts, and £1.3 billion of cuts throughout the whole of the UK, in order to find the money to pay the extra £1.3 billion in interest charges because of the increase on Public Works Loan Board loans? I would be grateful for confirmation of that today.

4.12 pm

Richard Harrington (Watford) (Con): Like many hon. Members, I have listened all afternoon to the debate. If everyone examined the matter, they would know that the comprehensive spending review was necessary. The cuts amount to taking us back to 2007 expenditure levels. I will not repeat the arguments that we have heard this afternoon denying or not denying the effects.

Mr Hanson *rose*—

Richard Harrington: Not at the moment.

I shall concentrate on two points that I do not believe have been mentioned. The first is the importance of how the cuts are implemented. My fear is that, for political reasons, some public bodies and some councils have every incentive to make the cuts go right to the bottom line. I remember how, in the years of the Conservative Government from 1979 onwards, Mrs Thatcher's cuts, job reductions and so on were used politically by opposing parties.

Kwasi Kwarteng: I forget—how many general elections did Baroness Thatcher win? Will my hon. Friend remind the House?

Richard Harrington: Not enough.

The most important thing is that the cuts are made sensibly, and that the bloated management hierarchies of local government look at themselves and realise that this is a chance for much of the reduction in their field to come through management. Let me explain. In Hertfordshire county council—*[Interruption.]* Yes, Conservative, and proud to be Conservative.

In Hertfordshire county council the expected cuts, which have yet to be implemented, will be enhanced by the fact that £150 million of taxpayers' money has been saved by sensible management changes that hardly affect the front line—£150 million—yet in my local council, Watford, a council with a turnover of £18 million, we have a chief executive who is paid roughly the same as the Prime Minister, a mayor who is paid exactly the same as Members of the House, and an entourage of management levels that defy belief compared to anything in private business life.

I was very pleased to hear what the Prime Minister said yesterday about growth being so important, but I remind Opposition Members that growth is achieved not by spending money that the Government do not have and never wonder how to repay, but by businesses, ranging from the smallest to the largest, having the confidence in the economy to decide to expand, to raise money through friends and family or the stock market, to borrow money from banks that are able to lend it to them and to use every resource that they have to employ extra people. I have every confidence in this Government, and it is most important that we reward people who create jobs. Those are the people who are at a premium, and those are the people who have been stifled in the past.

There has been lots of talk about the Government making banks lend more money, and I commend the new funds that have been discussed. The new equity scheme, which the banks are putting together to provide £1.5 billion of equity for business, is a very good idea, and some of the schemes that the previous Government started and this Government are reforming and expanding are of course commendable. However, the real point is that, unless the deficit is dealt with not just in this country but elsewhere, banks will have to keep on lending money to Governments. Government debt has stifled banks here and all over the world. In the US the argument used to be, "The deficit does not matter", but it does, because banks start lending money to business in quantity when they have confidence in the future and do not have to lend to Governments. We should not forget that.

The greatest thing about the comprehensive spending review is that it deals with the problem on a one-off basis. It is not being shoved under the carpet, put off or held over until after a general election, and for that reason, above all others, the CSR is the most fundamental and best thing that the Government could have done. The problems need grasping. The world of delusion that we have lived in for the past few years—the world of expanding public expenditure, with managers appearing all over the place at a cost to the public purse that taxpayers cannot afford—is coming to an end, and I for one am delighted about that.

4.17 pm

Grahame M. Morris (Easington) (Lab): In the short time that is available to me, I shall deal with a couple of aspects of the CSR, particularly its impact on my own region, the north-east, and look at some of the issues of fairness, which Members on both sides have raised this afternoon.

The CSR has no credible strategy for growing our economy in order to pay down the debt. Indeed, it will make the poorest pay for the damage that those at the very top of the financial ladder inflicted on our economy. As we know, from the statements and Members' contributions that we have heard, children and families will be asked to bear a greater burden than the cavalier bankers who caused the crash in the first place.

Research by IPPR North has shown that the economy in the north grew substantially during the period of the previous Labour Government. However, the impact of the global credit crisis and economic recession has, sadly, had a disproportionately greater effect in those same areas, including my own. Caterpillar, one of our flagship private sector companies, reduced its labour force during that period by almost 50%. I am pleased to say that there are signs of recovery in that regard, however, and I am doing everything I can to assist.

The view of the IPPR in considering the decisions on jobs, welfare, capital investment and public services made by the Government in the comprehensive spending review, and how they will impact on the north-south divide, is that

"things look set to become significantly worse".

On the general outlook of the CSR strategy, it says that

"it lacks an equally rigorous and challenging strategy for economic growth".

That is the truth of the coalition's plan.

The acid test of whether the CSR works is, first, whether it is fair and, secondly, whether it will deliver economic growth. Labour Members, myself included, believe that the CSR does not provide a credible growth strategy—certainly not for my region, the north-east. The impact is compounded by a series of announcements, including the disbanding of our regional development agency, One North East, and the axing of the regional Minister; in my right hon. Friend the Member for Newcastle upon Tyne East (Mr Brown), we had an excellent advocate. For the life of me, I cannot see that much money is saved by doing away with a regional Minister—it seems to be a symbolic gesture not to have such a person arguing the case for my region from the Government Benches. We have also seen the axing of the Government office for the north-east—GONE has gone.

The north-east is more reliant on the public sector than other regions, and about 46% of working women work in public sector occupations—one of the highest percentages in any region of the UK. In fact, the proportion in my constituency is even higher. The job losses arising as a direct result of the CSR will unfairly target these women.

In the very short time that I have left, I want to focus on the effects of the CSR on social housing. The National Housing Federation has recognised that it is likely that some of the poorest and most vulnerable in society will be worst affected by the CSR, and those who access services from housing associations are likely to see their personal financial situation worsen considerably. Its figures show a 60% cut—or, in real terms, a 63% cut—in cash terms in comparison with the 2008-11 national affordable housing programme. Where will the Government find the money to plug the gap created by these cuts? They will raise the rents on the poorest in society to 80% of market value, and this will end up displacing thousands of families from our cities. The Chancellor uses the word "fairness", but it is a concept that he does not seem to grasp.

The Chancellor has criticised Labour for not being straight with the public, and he often accused us of hiding the details of Budgets, but he will not be straight with the British people. His spending review will leave more people out of work, it will stop in its track the recovery of regions such as ours in the north, it will decimate key local services for the most vulnerable, and it will force those on low incomes out of our cities.

4.23 pm

Ian Swales (Redcar) (LD): I am a member of the Public Accounts Committee. Sadly, the Chair left the Chamber a few minutes ago, but we still have some other members here. It is the Committee's task, usually twice a week, to listen to a saga of Government mismanagement and overspending: some of the cases that we hear about are quite breathtaking, running into billions of pounds. I could give lots of examples, but those who are interested should take a look at the National Audit Office reports. It is absolutely clear from those reports that there is massive potential to save money in the operation of government.

I would like specifically to talk about the report on the previous comprehensive spending review in 2007, which required sustainable value-for-money savings of £35 billion over three years, a period which ends next April. That illustrates the phoniness of saying that everything was fine before the credit crunch. The previous Government clearly knew that spending was getting out of hand, and a year before the credit crunch they looked for £35 billion of savings. It is interesting that that is nearly half of what is proposed in the current CSR.

So how is it going, judged against the 2007 review? Some £15 billion of savings have so far been identified, but when the National Audit Office examined the matter it said that 18% of that did not represent improvements in value for money, and it rejected 44% on the basis that the Departments did not have the cost and performance information to underwrite their claims, so only 38%—£6 billion—has actually been saved. It is clear that the current spending review has to be tougher because of the failure to deliver the previous spending review. As the report that we agreed just yesterday in the Public Accounts Committee states, if Departments had been successful in making real savings of 3%, fewer painful cuts would be necessary now.

Mrs Jenny Chapman (Darlington) (Lab): I thank my colleague from the north-east for giving way. Does he have any idea how much it will cost the taxpayer to clear up the social consequences of the Government's decisions in the north-east?

Ian Swales: Clearly the north-east has already suffered, and no doubt there will be more cuts there. The decisions about how much it will cost will come out in the overall

review, and I do not have a specific figure, but I do know that the 2007 comprehensive spending review showed a litany of management failure. There were no baselines against which to measure, so we did not even know whether savings were being made. There was no radical thinking, with few of the savings representing major departures from current thinking. That was because the Labour Government did not allow input from civil servants, so it was a top-down exercise. They did not listen to the people who were actually doing the work, and I am sure the current Government will do better than that. There was no proper reporting framework to review progress and there were no milestones—things that would be taken as read in the private sector. There was no personal accountability. We ask questions about that time after time in the PAC—did anybody lose their job as a result of some fiasco? The answer is almost always no.

In the NAO's July report, the Treasury admitted that it did not have the capability to deliver value-for-money programmes in full, and that needs to be addressed urgently. I hope that my hon. Friends on the Front Bench will learn the lessons of that report and ensure that the comprehensive spending review is driven effectively in the new environment. We need a better framework, clear personal accountability, proper baselines, clear milestones of progress and detailed monitoring. As the NAO stated, the Treasury cannot just reduce budgets and then walk away. I hope that there will be a hands-on approach and that we will deliver the savings that have been set out.

I deplore the fact that the manufacturing industry went from representing 22% of the economy to 11% under the previous Government, and that a recent BBC Experian study showed that my area was 319th of 324 in the country economically; that Hartlepool, across the river, was 314th, and Middlesbrough, next to mine, 324th. I see my fellow local MP, the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop), in his place. We need take no lessons from the previous Government about economic development in the north-east.

I welcome today's announcements on the Tees valley local enterprise partnership, the regional growth fund and the green investment bank, and I look forward to a revival of the local economy under this Government.

4.28 pm

Gordon Banks (Ochil and South Perthshire) (Lab): We have heard a lot today about the impact that the CSR will have on some of the most vulnerable people in society. I support the view that it cannot be acceptable that families are expected to pay more than the banks, and that the public and private sector workers who did not cause the crisis will pay more and lose their jobs, while the banks are treated lightly.

Among the doom and gloom of last week's statement, there was a real prospect that the Chancellor would lay out a strategy for growth that would support our small businesses, which are the real drivers of the UK economy. He failed to grasp that opportunity, and I am not the only one who thinks so. Even this week, the Prime Minister and the Business Secretary have both failed to deliver a credible growth plan not just for the UK but for its small businesses.

The Federation of Small Businesses, of which I am a member, believes that a missing link in the Government's deficit programme is the need to create growth by widening the tax base, creating more businesses and incentivising small firms to grow and innovate. I agree. As the shadow Chancellor said last week:

"Without growth, the job of getting the deficit down becomes impossible." [*Official Report*, 20 October 2010; Vol. 516, c. 968.]

Even after today's statement, we are still waiting to hear a growth strategy that has any new thinking in it.

It has been well documented that the Government's approach will throw 1 million people out of work, but I want to take the Chancellor to task about part of his speech last week. He said:

"Of course, there is a very understandable concern about the reduction in the total public sector head count that will result from the measures in the spending review." [*Official Report*, 20 October 2010; Vol. 516, c. 951.]

He used the phrase "head count", but he was talking about people's lives, jobs and futures. He should have the decency not to talk about people's futures in such an insensitive way—off-hand, impersonal and using the phrase "head count".

We make a fundamental mistake by trying to separate the public and private sectors because, as we have heard, they are intrinsically linked and mutually reliant. The construction industry is significantly of the private sector but it survives with a reliance on a large state commitment to improving our infrastructure, as under the previous Labour Government, with investment in hospitals and the Building Schools for the Future programme. PricewaterhouseCoopers suggests that more than 100,000 construction workers will lose their jobs as a result of this Government's actions—that is more than 5% of the total employment in this sector and five times the loss expected in the financial services.

There are many ways to support businesses such as those in the construction industry, one of the best of which is having a well-trained and efficient work force. As my right hon. Friend the Leader of the Opposition has suggested, that could be done by offering tax cuts to employers who pay a living wage as an incentive to develop the skills of the people who work for them. Preventing our brightest students from following their chosen career path is not the best way of achieving those goals, and the cuts that will lead to reduced in-job training such as Train to Gain, which has supported more than 1 million workers in the UK, will make the job market stagnate.

My right hon. Friend the Leader of the Opposition said recently:

"There have been...too few in British politics who speak up for small business."

Well, the genie is out of the bottle now, because my right hon. Friend saw fit to give me the business brief for the Opposition. I want to take this opportunity to stress that, given my small business background, this is one voice that will support the ambitions of small businesses, support the contribution they can make to the economy and skills of the UK and support my right hon. Friend in his endeavour to stand up for small businesses in the UK.

The comprehensive spending review did nothing to stimulate funding for small businesses, nothing to provide an opportunity for small businesses to grow and nothing

[Gordon Banks]

to allow small businesses to grow their skills base. Quite the opposite, in fact: it takes money away from small businesses. Why? Because it puts 1 million people on the dole. It prevents small businesses from growing. Why? Because it puts 1 million people on the dole. And it shrinks the skills base of small businesses. Why? Because it puts 1 million people on the dole. It is clear from the CSR that the Government do not value small businesses in the UK, but in this House in the future there will be a voice that engages with them, and it will be on the Opposition side.

4.33 pm

Mark Pawsey (Rugby) (Con): Eight days have passed since the Chancellor stood at the Dispatch Box and made it clear why it was necessary to take decisions that many on both sides of the Chamber find difficult. We have heard more today from the Chief Secretary to the Treasury about the scale of the problem and why reducing our massive Budget deficit should be the country's primary concern. We simply cannot go on borrowing £1 in every £4 spent—paying £120 million every day in debt interest alone. We know that failure to take action would lead to our paying £4 billion more in debt interest alone by the next election. That money would go to foreign creditors and would help to pay for their schools and hospitals rather than being spent on ours.

We know that had Labour remained in government it would have cut spending, so the debate is about the pace of the cuts that are about to be made, not whether they should be made. That became clear to me in discussions that I held on Friday in my constituency with an organisation that gives a clue to its aims and objectives in its name—Rugby Against the Cuts. Its representatives came to see me on the premise that the Government should take no action to deal with the Budget deficit. After our discussions, however, I believe they accepted that some form of action might be necessary. The group issued a press release, which stated:

"Mark Pawsey listened as we outlined our fears, and said he would be happy to meet us again to monitor developments...at least our MP was prepared to listen...Although we did not seem to change his views, overall, the lobby was worth organizing".

Opposition Members will be unsurprised at that last sentence.

I will maintain that dialogue because it is important. We have offered an honest opinion to the electorate, which is why in the past eight days my hon. Friends have not had massive postbags criticising the measures in the spending review—*[Interruption.]* Well, many of the proposals were contained in the Conservative party manifesto, so it is no surprise that we are taking the action that we are taking. We are bringing forward the date at which the state pension will begin to rise, stopping the most well-off children receiving child tax credits and cutting spending on trust funds.

Last week, in addition to meeting that protest group I took a survey on to the streets of my constituency. In a poll, 87% of the people to whom we spoke said they thought it right and fair that the Government cut their expenditure at this time. It is clear that from the outset our objectives should be to ensure that people are better off in work. A poll in *The Sunday Times* on 24 October showed that 57% supported cutting welfare benefits. I believe that the proposals on welfare spending show a new sense of realism. Despite Opposition Members' claims that they are ideological, they are clearly right.

The Government are committed to a stimulus for business. As someone who ran a business for 25 years, I have every confidence that the private sector will rise to the challenge. We are taking steps to reduce the regulatory burden on business and to provide a stimulus, never more so than through the announcement today of the new local enterprise partnership in Coventry and Warwickshire, whose size will be manageable in contrast with the cumbersome Advantage West Midlands. I believe that the LEP will set out economic priorities for the area that I represent.

The Government are acting responsibly and are in touch. The attitude across the country was for me summed up by a gentleman called George Smith, whose daughter intends to go to university next year. He was talking about the additional costs that his family would have to bear to send their daughter to university, but he could have been talking about many aspects of our public services. In *The Sunday Times* of 17 October, he said:

"I'm philosophical about it. Everybody and his brother is going to have to start paying more for all sorts of things. Much as we may think it's unjust and unfair, it's really a long overdue day of reckoning."

4.38 pm

Liz Kendall (Leicester West) (Lab): I shall address two issues: first, whether the Government have kept their commitment to protect the NHS budget, and secondly, how their proposed reforms will affect the NHS's ability to live within its budget in the next four years.

Before the election, the Government promised that the NHS budget would increase in real terms over the spending review period, and last week the Chancellor announced the headline figure that the NHS will receive 0.1% more than inflation in each of the next four years. That is the lowest four-year increase for the NHS since 1951 to 1956.

The Chancellor also announced that £1 billion from the NHS budget will be transferred to local councils to spend on social care. Social care services play a vital role in improving health and reducing NHS costs, for example by helping older people to stay mobile and independent in their own homes. However, the £1 billion going to local councils is not ring-fenced, so there is no guarantee that it will be spent on social care, especially when councils face a 28% cut in their budgets over the next four years. The spending review removed a further £5.5 billion from the NHS by taking its underspend. The NHS has accumulated £1.8 billion of capital underspend and £3.7 billion of revenue underspend—money that it would normally be allowed to keep to reinvest in patient care or to help deal with future overspends. But the spending review abolished the year-end flexibility for the first time.

Far from the Government protecting the NHS budget, the fine print of the Green Book shows that they will reduce the NHS's budget by 0.5% during the spending review period. These cuts come after a period of significant increases in NHS funding, from some 6.6% of GDP in 1997 to 8.7% in 2009-10. While those increases are substantial, NHS spending as a proportion of GDP

remains below the OECD average, and pressures on the NHS budget will increase because of our ageing population, new technologies and rising expectations. Meeting those challenges while continuing to provide universal health care free at the point of use means that the NHS will need to make big improvements in productivity over the next four years. The chief executive of the NHS has said that that will be the equivalent of £20 billion of savings or some 5% of the NHS's budget in each of the next four years. The NHS has never achieved that, under any Government.

The question for coalition Members is whether the proposed reforms to the NHS will help or hinder in making those substantial productivity and efficiency savings. The Government are about to embark on major structural change to the NHS, despite promising before the election that there would be no more top-down reorganisations in the NHS. GPs will be given responsibility for commissioning £80 billion of NHS services, and PCTs and strategic health authorities will be abolished. Even when major reorganisations are well organised, they usually mean that health services stand still for a period, rather than progress. If structural change is poorly managed, patient care and finances suffer.

I fully support involving clinicians more in decisions about how services are shaped, but changes such as GP fundholding took time and significant management support to develop. The scale and pace of change that the Government are pressing ahead with pose significant risks. Major structural reforms are not cost-free, and the King's Fund estimates that these reforms will cost £3 billion over the next four years. Many patient groups and professional organisations are rightly worried that having yet another major structural reorganisation, when the NHS faces the biggest financial challenge of its life, will not be good for patient care or for finances. I ask the Government to think again.

4.43 pm

David Rutley (Macclesfield) (Con): This is a vital debate, and the comprehensive spending review and its delivery will define this Parliament. The spending review charts a course that tackles the record budget deficit that we have inherited, it rebalances the shape of the economy and it sets out a path that will lead to lasting, sustainable economic growth.

To achieve sustainable growth, we need to rebalance the economy. That will mean less reliance on the public sector. It is unsustainable for public spending to account for nearly 48% of GDP, which clearly crowds out investment from the private sector. That is why the Government are right to bring public spending down to nearer 40% of GDP by the end of this Parliament.

The rebalanced economy must also be less dependent on financial services. In the last decade, the banking sector was allowed to become far too dominant. We need to ensure that future economic growth is more broadly based and not as closely linked to the performance of the City. Instead, we need to encourage the growth of high value-added manufacturing and high-tech industries. AstraZeneca and its skilled work force is vital to Macclesfield's local economy, and it shows that we can still successfully make things in this country and compete in global marketplaces such as pharmaceuticals. It is good to see that the Government are creating the right economic conditions for the next generation of global competitors and providing support for the all-important small and medium-sized enterprise sector.

Rebalancing the economy also means that there will need to be a greater focus on the regions outside London and the south-east. There has been much talk about that in the Chamber today. There is no question that the north-west will benefit from the strong resurgence predicted in the private sector. Over the past decade in the north-west, the number of jobs in the public sector has grown much faster than in the private sector, and since 1999, the number of people employed in the public sector has grown by 100,000—a massive 17% growth. In contrast, over the same period, job creation in the private sector has broadly flatlined, only increasing by 24,000—just 1%.

Recent announcements in Macclesfield will sadly lead to job losses. The Cheshire building society is closing down its back-office operations, and more recently it has been announced that nearby BAE Woodford is to close. However, we are working hard to strengthen the local economy. It will clearly benefit from much stronger growth in the wider economy, which is why it is encouraging to see private sector job creation improving, with a 308,000 increase in the UK over the past three months. The increase in the north-west was 28,000, and for the last year, that figure comes to 40,000. That is encouraging news.

I am delighted that the Government are looking to build on those positive developments. I fully support the decision to scrap Labour's tax on jobs, because it will help businesses to save £340 million in the north-west. The Government have gone further by giving new businesses new national insurance holidays outside the south-east worth £5,000 over the next three years, which could help up to 69,000 businesses in the north-west. The regional growth fund will also help to stimulate growth and provide sustainable private sector jobs in the north-west, and the new local enterprise partnerships, such as the Cheshire and Warrington LEP in my area, will put in place private sector-led recovery plans to stimulate economic growth, not just in major metropolitan areas such as Manchester and Liverpool, but in Macclesfield, east Cheshire and right across the north-west.

Labour's opposition to the CSR shows how out of touch it is with reality. The only path it seems to offer is to ignore the deficit, to continue to borrow, to spend and to rack up yet more debt. That is a risk that we on the Government Benches are not prepared to take. We are taking the right approach to dealing with the deficit, but clearly there is more work ahead, and I think that we can draw inspiration from one of the great entrepreneurs in Macclesfield's history—Charles Roe, from the 18th century—whose memorial in Christ church reads:

"Difficulties to others were incitements to action in him".

We would do well to adopt that same spirit in responding to these challenging times, rather than the bleating we hear from the Labour Benches.

4.48 pm

Mr Andy Slaughter (Hammersmith) (Lab): At the beginning of this debate, my hon. Friend the Member for Wallasey (Ms Eagle) quoted an article in *The Wall Street Journal* today that reported

"panic stations in the Treasury"

[Mr Andy Slaughter]

at finding out that the reduction in child benefit for higher earners was "unenforceable". It continued:

"At root is a problem that should have been apparent to those designing the policy, if detailed advice had been sought from civil servants before it was announced at Conservative party conference."

My hon. Friend the Member for Streatham (Mr Umunna) referred to himself—in all humility, I am sure—asking Sir Andrew Turnbull from the Treasury Committee this morning:

"Do you think it's accurate to describe the UK as being on the brink of bankruptcy?"

The response was: "No I don't." Both those bits of hot-off-the-press news

Kwasi Kwarteng: Will the hon. Gentleman give way?

Mr Slaughter: No, I have not got time—actually I will, because it gives me more time.

Kwasi Kwarteng: I thought I was attending one of those rallies in North Korea, so reluctant are Labour Members to engage in debate. However, I thank the hon. Gentleman for giving way. My question is very straightforward: does he acknowledge that the deficit was a problem that had to be dealt with?

Mr Slaughter: What a stupid question, although I thank the hon. Gentleman very much for the extra time that he has given me. Anybody else? No? Okay, let us move on.

What I have described shows that it is politics rather than economics that has driven the CSR. Far from fairness driving the CSR, it is a particular type of Tory ideology that has driven it. Nowhere is that more true than in housing, to which I shall confine my remarks and which some of my hon. Friends have also addressed.

The Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell) apologised to the House earlier today—and rightly so—for inappropriate remarks that he made in the debate in Westminster Hall on the CSR and housing yesterday, when he said that Opposition Members had spread "lies and deceit". I am glad that he apologised—it was good of him to do that—but the irony is that he made those comments in the context of the most selective quoting from the National Housing Federation's brief. He managed to find two sentences in an excoriating brief that he thought supported the Government's case. Let me read the bits either side of the bit that he quoted:

"This is a 60% cut in cash terms in comparison with the 2008-11 programme and in real terms a 63% cut. We are extremely disappointed that the Government has chosen to impose such significant cuts in capital funding...In an attempt to fill the gap caused by these significant capital cuts the Government is proposing to allow housing associations...to set rents on new lettings at levels between the current social rent up to a maximum of 80% of market rent."

The briefing continued:

"However, we understand that any funds generated under this new 'intermediate rent'...will only be allowed to be used to build more homes at this new intermediate rent and...across the four year spending period no homes will be built for social rent using these funds...there will be no further construction of social homes until at least 2015."

That is the housing situation that we face, and for hon. Members who want to know what "intermediate rent" means, I looked at my Conservative council's planning policies, which were announced last month. I found that the term excludes anybody on under £20,000 a year, which is 40% of my constituents and most of the people in housing need, but includes those on earnings of up to £79,400 a year—people in the top 2% of earnings. It is the Government's policy that only intermediate housing will be built over the next 10 years.

Where does that leave my constituents? Where does it leave constituents such as the one whose case I was dealing with in my office this morning? That constituent is living with three teenage children in a highly damp one-bedroom flat, but has received the usual response from the local authority, which says:

"The average expected waiting time for a three bedroomed accommodation...is projected between 8-10 years. This is however only a projection but reflects the reality of...Social Housing waiting time as dictated by demand against availability."

What tenants such as my constituent are being told is, "Give up your secured or assured tenancy, and take an insecure tenancy in the private sector. Then you may get some more space." Up until now, people have not been told—they are being told now—that such accommodation is likely to be outside the borough, because of the restrictions on housing benefit. The situation now is that my constituents are being told that if they want decent accommodation, they should go into the private sector and be re-housed a significant distant outside the borough.

That is the reality of housing policy under the CSR. It is the reality for a constituent who came to see me this week, a teaching assistant taking £900 a week net and living in a shared room in a flat in Shepherd's Bush, for which she pays £650 a month. She gets some housing benefit, but she can hardly make ends meet. Next year, she will not be able to, because of the cuts in housing benefit, and she will have to leave her job and move out of the area. That is the reality for people in my constituency.

While we are talking about apologies, perhaps someone else ought to apologise. The first interview that the Prime Minister gave after the election was to *The Daily Telegraph*. The article says:

"He was still angry over 'appalling' Labour lies that he blamed for preventing celebrated candidates such as Shaun Bailey winning in marginal seats".

and quotes the Prime Minister as saying:

"'They were telling people in Hammersmith they were going to have their council house taken away by the Tories.'"

Well, they are, and I will tell the House why. That candidate is at least honest, because he said at the Tory party conference:

"Inner city seats are so hard to win because Labour has filled them with poor people who are desperate and dependant on the state, so they vote for a party that they think is of the state."

That is why those people are being punished. They vote Labour, and they want to live and work in the inner city, but that is not good enough for the Conservatives. That is what my constituents are facing, for ideological reasons of gerrymandering and social engineering.

4.54 pm

Stephen Lloyd (Eastbourne) (LD): I have had the pleasure of listening to speeches all afternoon. In a way, they could be summed up by saying that Labour Members

believe we are all going to hell in a hand cart, whereas Government Members believe we are heading towards the sunny uplands. My own view is that we are somewhere in between, but I am a little closer to the Government side.

Tony Blair apparently said to the right hon. Member for Birkenhead (Mr Field) in 1997, "Go away and think the unthinkable on welfare reform." He promptly went away and thought the unthinkable, and a key part of it was recognition that benefits had to follow low incomes for people to get back into work and that benefits cost far too much—and the then Chancellor of the Exchequer and subsequent Prime Minister crushed it on the spot. So what is happening under the comprehensive spending review? It looks as if welfare reform is heading towards thinking the unthinkable. My understanding is that an extra £2 billion is to be included within the universal benefit, which will mean that people on low salaries can take a lot of their benefit with them. I will obviously need to check the fine detail as it gets presented over the next few months, but if that is right, it will make a profound difference to many hundreds of thousands of people.

Let me provide an example. A few years ago, I had to do something in Eastbourne. Although it is clearly the best constituency in the whole country, this was a little bit of a nightmare, which I suspect other Members might have experienced at some time in their lives. I refer to judging a beautiful baby contest. Trust me, it is a nightmare. How do we ensure that we do not win only the winning parents' votes and lose all the others of the babies that we do not choose? I recall coming across a particular lady whom I knew. She looked about 50, but was probably in her late 30s. She was holding a baby of about six months or less. Standing next to her was her daughter—probably 17 or 18, but she looked a lot older—and the grandmother, who was completely inebriated. This was at 2 o'clock in the afternoon. As I looked at that child, I have to admit that behind the veneer of the politician's smile, I felt utter fury because I knew that I could write that baby's curriculum vitae right away—it was a goner. I find that absolutely unacceptable. If the changes to welfare reform, when followed through by people coming off benefit and going into initially low-paid jobs, mean that they can take their benefits with them, it will be a rational decision to get a job.

Chris Williamson: If the hon. Gentleman is so concerned about low-paid workers, will he not concede that cuts to housing benefit will make it much more difficult for many of them to hold down their jobs? Contrary to his assertion that the policies he supports will help people to get into work, they will throw more low-paid workers out of the jobs that they are undertaking at the moment.

Stephen Lloyd: The reality is that when a nation has reached a place where it is acceptable and normal for rents upwards of £30,000, £35,000 or £40,000 a year to be paid by the state, something has to give. I see the challenges, but I am hopeful that the Government will come up with a greater amount of discretionary money, particularly for places like London. In principle, however, I support the narrative. We need to realise how crazy the vast majority of working people view the fact that they could never rent a £20,000-a-year flat in a million years, yet the state allows rentals for much more than that. Forgive me, but I genuinely believe that anyone supporting that lives on a different planet.

Let me make another couple of important points about this comprehensive spending review and welfare reform. Just last week, I stayed at the Premier Inn—as we all know, that very salubrious place across the river. I have stayed there about 20 times since the election. I have met about 20 to 30 members of staff, and very nice they are too, but not one of them is an indigenous black or white British person. Not one! What is going on? I spoke last week to a friend who runs a café in Eastbourne. He said, "Stephen, I keep trying to get people to work and I offer them jobs, but they keep telling me that they cannot accept them because they will lose their benefit if they work for more than 16 hours a week." What is going on? We have to forget all the backwards and forwards; I profoundly believe that we have got to change the system. It is not only inefficient, it is profoundly cruel.

As I have the Minister here, I want to flag up a number of areas of the CSR about which I have concerns. The first relates to Equitable Life. I commend the Government for their payments to Equitable Life policyholders; they came forward when the previous Government did not. However, the payment of £1.5 billion could have been higher. Considering that the second instalment of £500 million is going to be paid in the second term, I certainly believe that we should increase and expand it. We have a moral duty to do so.

My second area of concern is small businesses. I spent a few years working as a consultant with the Federation of Small Businesses in south London before I got elected to this place. Small businesses broadly support the comprehensive spending review, but they need the Government to be really active on cutting bureaucracy and setting small businesses free. I urge the Government to do that. I believe that this is a fair comprehensive spending review. It is a challenging one, and I appreciate that we shall have to see what happens over the next few years, but I commend it to the House.

5 pm

Alex Cunningham (Stockton North) (Lab): Last week's comprehensive spending review delivered cuts beyond the dreams of even Margaret Thatcher that were welcomed with glee from the Tory Benches. Those cuts will really impact on our children and schools. I have been inundated with e-mails from teachers in Stockton North, and from teachers in neighbouring Stockton South who teach children from my constituency. They are incensed by the axing of the schools sports partnership. The head teacher of a special school in my constituency, Abbey Hill school and technology college, Clare Devine, wrote to me to say:

> "I fully endorse the partnership's work in transforming PE and school sport, and believe that the withdrawal of funding is a betrayal of the Olympic legacy to inspire young people to take part in PE and sport."

What is that head teacher going to say to a child with the most challenging physical and other special needs who enjoys participating in sport through the partnership but can no longer do so? Perhaps the Minister will offer us some ideas.

Today, I have chosen to focus specifically on what the cuts will mean to the Cleveland fire service, which serves Teesside and Hartlepool. Last Friday, I met the chief fire officer, who outlined exactly how dangerous the cuts announced in the comprehensive spending review

[Alex Cunningham]

will be. I also met real firefighters in Billingham in my constituency, in their fire station on the edge of Europe's biggest fire risk—a huge chemical and related industrial complex. The Cleveland fire authority has already made cumulative efficiencies of £1.8 million over the past three years. The savings have been officially recognised by the Department for Communities and Local Government. This is taking place against a background of improved outcomes, including the greatest reduction in primary fires nationally.

The comprehensive spending review reduced the revenue support grant from central Government for fire and rescue authorities by 25% over the next four years. The effect on Cleveland will be significant, given that 67% of its budget comes from the revenue support grant, with the rest coming from council tax. A 25% cut in Cleveland equates to a reduction in the overall budget of almost £6 million. Our firemen and women put their lives on the line every time the bell goes. They accept their responsibilities quietly and get on with the job, yet they will now face a greater risk to their personal safety if numbers are cut and resources stretched way beyond any reasonable limit. We have already seen deaths in other parts of the country that have been blamed on cuts. Is the Minister prepared to pay with even more deaths?

The Cleveland fire service area hosts 12% of all the COMAH—control of major accident hazards—regulated sites in England and Wales, yet it is a net loser under the current funding formula, which has seen an increase of just 2% across three years. The fire service in Nottinghamshire has received an increase of 19%. On top of this, the service is now being asked to cope with the new 25% cut. The chief fire officer is not confident that cuts on this scale can be made through efficiency savings alone, and believes that the service will be compromised if personnel and equipment are reduced. Lives should not be put at risk. I am told that a fully staffed fire engine costs in the region of £800,000 a year to staff. My fear is that, with £6 million of cuts, front-line services will be badly hit. The local firefighters whom I met last week had a clear message for the Government: we have now cut right through the fat and we are down to the bone. We cannot cut any more. We simply cannot afford to remove fire engines against this risk.

I want to remind Ministers of the Flixborough disaster of 1 June 1974. It happened in an area that is not dissimilar to my own constituency and other parts of Teesside. We saw what disaster meant that day, and we saw the tremendous work done by fire crews. We need to know that our fire services have the people and equipment that they need in order to respond to potential disaster, but the Government are turning their back on that need.

I hope that the Minister responsible for the fire service will accept my written invitation to see these challenges for himself, and will think again about the cuts to which he has agreed. I am particularly anxious for authorities such as Cleveland which have already delivered efficiency savings to be given a level of protection. There is only so much money to be saved through efficiencies, and sooner rather than later the cuts will hit front-line fire services.

It is absurd that our fire authority is being forced to consider making full-time stations part-time, and to rely on part-time firemen in an area with the highest risk in the whole of Europe. Firefighters, workers and ordinary families whose homes surround our industrial sites are being put at risk by these arbitrary cuts. I hope that the Government will think again about that risk and the way in which they are adding to it, because lives are at stake.

5.5 pm

Bob Blackman (Harrow East) (Con): I congratulate the Chancellor and his team on beginning the process of righting what has been wrong for the past 13 years. After those 13 years, we find ourselves in circumstances in which, for many people, it is better to be on benefit than to be in work. I listened earlier for a word of apology for the record deficit that the Labour party had created, and for any plan it might suggest to get us out of it or even suggestions of cuts that it would make in public expenditure. We are still waiting for the answers.

I shall confine my remarks to two aspects of the CSR. The first is reform of the benefits system. We have heard much from Opposition Members, and from people outside the House, about housing benefit, which is one of the benefits that need fundamental reform. It is horrendously complicated. It is paid on a daily basis, with tapers which mean that if people obtain work they immediately lose the benefit. It has therefore become a positive disincentive to work. The principle that we are adopting as a Government is that it should always be better to work than to receive benefits. I strongly support the cap and, indeed, the gradual withdrawal of housing benefit from people who refuse to work.

We must also ensure that there are job opportunities in the private sector, and opportunities for people to be trained to take those jobs. I support the Work programme that the Government are implementing, because it will bring about a fundamental change in British society that we all want to see.

It is currently proposed that the housing benefit cap should apply to people paying £20,000 a year in rent. That is £35,000 in pre-tax income. Given the other benefits that claimants are likely to have accrued, they would have to earn a salary of about £50,000 before they would replace their lost benefit income. If that is not an incentive not to work, I do not know what is. We must change the whole philosophy of housing benefit, and the basis of its operation.

A system that taxes people with one hand and gives them benefits with the other cannot be right. It is far better to lift people out of taxation—as this Government have done—and give them more of their own money to spend as they wish than to tax them and give them benefits at the same time. We have an opportunity to simplify the whole process. I strongly support such action, and I hope that we will move rapidly to a form of universal benefits rather than the horrendously complicated arrangements that existed under the last Labour Government. I trust that they were the last ever Labour Government.

I applaud this Government for their prompt and firm action to settle the Equitable Life dispute once and for all. For 10 years the Labour Government prevented Equitable Life policyholders from receiving the compensation that was due to them, which was a disgraceful way to behave. I especially applaud what has been done to reward trapped annuitants who desperately need the

money now. I urge Ministers to get on with that job as quickly as possible so that we can pay retired people who are living in relative poverty as a result of the Labour Government's actions.

The Government have accepted that the proper compensation due to all the policyholders is some £4.26 billion. The £1.5 billion goes some way towards that. Many of those policyholders are still working; they will be working for 10, 20 or possibly 25 years more. They need support and help, too. I ask that, as the economic times get better, improvements come, we create more jobs and the economy recovers, our Treasury colleagues consider putting more money into those policyholders, so that they are properly rewarded for the pain that they have gone through under the last Labour Government. That is only right and just. I trust that we will see that happen in the not-too-distant future.

5.10 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I echo the views of my colleagues who have already spoken. I concur with them about the impact that the CSR will have on the poorest people, as evidenced by the recent BBC-Experian poll placing my area and the surrounding area in Teesside and East Cleveland at the bottom of that list—evidence that my proud people who struggle so hard are in the least resilient position to deal with the Government's harsh cuts.

Let us take the Government's threatened public sector sackings, such as those of 180 firefighters in Cleveland fire authority, which not only affects the local economy in terms of spending and welfare, undermining the average man in the street's confidence in the economy, but exposes the local population, massive processing sites, and the manufacturing, steel and petrochemical industries of Teesside to hugely increased fire risk and in turn only deters further future inward investment in that area. The result of such a policy will be increased unmanaged industrial risk, which will only increase the insurance costs of manufacturing industry in my area.

Inward investment for manufacturing is of real concern, from wherever it may come. Teesside is not fussy; it just wants the investment. However, on Wednesday 20 October, during Prime Minister's questions, following a question asked by my hon. Friend the Member for Darlington (Mrs Chapman), the Prime Minister could not come up with one inward investment or new company in the north-east that had come to the region without public funds leading to and attracting private inward investment.

When the Prime Minister, at the recent CBI conference, made assurances of £60 million to the north-east as "new" money, he was being wholly disingenuous. These moneys were set aside by Labour as a result of the Prime Minister's fiscal friend Kirby Adams's attempt to be a second MacGregor. The Prime Minister's mate, Kirby Adams, tried to destroy steelmaking on Teesside. That £60 million was originally set aside by Labour to aid a green regeneration on Teesside; it is not new ConDem cash, as any union official on site whom I worked alongside at Teesside Cast Products will tell you.

The Secretary of State for Business, Innovation and Skills confirmed in a Select Committee hearing on Tuesday that LEPs would receive no Government funding and would have to rely on local authorities or businesses for their funds. If that is the case, LEPs are merely powerless, toothless, fundless talking shops. In Teesside, that is even more the case, as the back-up service to any potential Tees valley LEP will be reliant on the Tees Valley Unlimited staff and logistical support. However, that too has had £7 million of its £9 million budget slashed.

The regional growth fund will be expected to cover crucial areas such as roads and housing renewal, leaving little in terms of a funding pot for business to apply for. In any case, any would-be small business would have to make a submission for a bid of at least £1 million, a sum most small businesses do not require, cutting out crucial small business growth.

I am also concerned at the delay in the green investment bank. The CSR referred, in small print, to the fact that the green bank will not be set up until 2013-14, missing the crucial 12 to 18-month window that we are currently in to take advantage of wind farm production and maintenance off our coastal ports, such as the port of the Tyne, the Wear and Teesport. I am also concerned that changes to the carbon reduction commitment scheme, which amounts to a £1 billion tax, will delay green investment and hurt small downstream industry which aids steel production in the UK.

Only yesterday, steel producer Lakshmi Mittal called for more stimulus measures from all Governments to speed growth in the steel industry. I would impress upon the Government the need not to disturb the Thai Sahaviriya Steel Industries ongoing bid. The probable new owners of Tees Cast Products may well begin to doubt the coalition's commitment to the ambitious investment plans, on which I have been seeking a definitive answer since May. I and other Members were promised that immediately following the CSR by the Secretary of State for Business, Innovation and Skills when he visited the north-east and made his magical mystery tour of the Beam mill at Redcar—a site totally separate from the TCP site.

In conclusion, I draw the House's attention to another economic critic of the Chancellor. According with Chris Giles in the *Financial Times*, in all Departments other than Health and International Development, a 19% real-terms cut is being implemented, compared with the 12% cuts planned by the previous Labour Government. That was down to the fact that the Chancellor played fast and loose with an inconsistent definition of "unprotected". What is clear is that the people of the north-east, and in particular Teesside and East Cleveland, have been left totally unprotected by this Government. I again agree with Chris Giles, as well as other esteemed and documented economic critics, that the Chancellor's comparison in his oration was simply "bogus".

5.15 pm

Kwasi Kwarteng (Spelthorne) (Con): Like my hon. Friend the Member for Central Devon (Mel Stride), I have sat through this debate all afternoon and have listened with increasing incredulity to what Opposition Members have been saying. There is an air of unreality in some parts of the Chamber. The question is not whether we should cut or carry on spending, as the second option is not on the table. Labour Members have accepted in their more lucid moments that they, too, would have had to cut, but as they now enjoy the luxury of opposition they do not have to say what they

[Kwasi Kwarteng]

would have cut. It is the job of the Government to be responsible and take the decisions on which our future prosperity will depend.

There has been a lot of special pleading during the debate, and that is a part of our job as constituency MPs, but we also have a wider responsibility to the country as a whole, and it is one of the wider responsibilities of the Government to try to make sure that we are on track and that at the end of this Parliament Britain is much more prosperous than it was at the beginning of it.

The contents of the comprehensive spending review delivered by my right hon. Friend the Chancellor last week can be boiled down to just a few questions. First, how did we get here? We all know how we got here. A previous Chancellor—in accordance with the custom of the House, I will not mention him by name—believed he had abolished boom and bust, and his calculations on increasing spending were therefore based on the false premise that the economy would continue to expand. It did not, however. There was a recession, and because he had so many spending commitments, we ended up with a huge deficit.

No one is denying the scale of the deficit. It is the worst deficit of all the G20 countries; every international organisation has pointed out that the British deficit is far worse than those of our peers. The coalition Government had to deal with that, and I believe they have done so very well and effectively. The process has been a painful one, as many Members on both sides of the House have said, but it was the responsible course of action, to which the Conservative party was committed in the run-up to the general election and to which both coalition parties are signed up. We have been facing difficult choices, and as the Chancellor outlined last week, government is about choice. The cuts are necessary. After all, £1 in every £4 we spent was borrowed, which was unsustainable. No one in their right mind would lead their private life on that basis. We cannot keep on borrowing and spending. These are obvious truths which we have recognised and addressed.

The next question is an entirely legitimate one: are these cuts and restraints in spending fair? There is a big dispute about that between Members on the Opposition and Government Benches, but I want to remind the House of certain facts. The current benefits system simply is not working. It cannot be right that people are getting more than £20,000 a year on benefits and are therefore completely disincentivised from working. Many hard-working people in my constituency find it absurd and very frustrating that, as they feel, they are subsidising those who, as a lifestyle choice, have decided not to work. That cannot be right. Hon. Friends have alluded to a change in philosophy in this respect, and it is long overdue. In the long run, people will acknowledge that we did the right thing. It was a tough thing to do, but it was also a courageous thing to do, and it was the right thing for Britain as we look forward to the next few years.

The coalition Government have been utterly responsible and fearless in their determination to tackle our problems. That is what responsible government is about, and I am pleased to be supporting a Government who are responsible and determined enough to deal with our problems and to set our country on the right track.

5.19 pm

Mr Chuka Umunna (Streatham) (Lab): Although she is not in her place, I wish to associate myself with the comments, particularly those on welfare reform, made by my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), who is also a south London MP. Her comments apply equally to my constituency as they do to hers.

I wish to say a little about the banking sector in the context of this comprehensive spending review, because it has not been addressed in great detail during this debate. During his speech to the CBI on Monday, the Business Secretary said that

"the British economy, two years ago, suffered the economic equivalent of a heart attack with the near collapse of the banking system. Death was averted by speedy intervention to shore up the banking system to prevent an economic slump."

Although he has tended to peddle some of the myths we have heard in the Chamber today, at least there he acknowledged that the previous Government stepped in to prevent the recession caused by the financial sector from turning into a depression. For me, the real question is what contribution the Government are expecting the banking sector to make to clear up the mess it created.

In his emergency Budget statement, the Chancellor said:

"The failures of the banks imposed a huge cost on the rest of society, so I believe that it is fair and right that in future banks should make a more appropriate contribution, reflecting the many risks that they generate."—[*Official Report*, 22 June 2010; Vol. 512, c. 175.]

What was promised in that emergency Budget? First, the Government said that they would set up the Independent Commission on Banking. Secondly, they said that they would take action to tackle unacceptable bank bonuses, referring to the consultation that they would start on the remuneration disclosure scheme and talking about imposing more restrictions on remuneration arrangements for those working in the City. Of course, the centrepiece of the action that the Government said they were going to take on the banks was the banking levy.

So what did we see in the comprehensive spending review? Credit is due in respect of the Independent Commission on Banking. I, for one, am pleased to have seen that set up and its terms of reference are good. Beyond that, there are many questions to be asked about what the Government are doing to ensure that the financial services sector makes its fair contribution. We are constantly told that we will be consulted on the remuneration disclosure scheme in due course. I believe that the Financial Secretary to the Treasury, who is no longer in his place, said that that would take place shortly. However, at the moment it is nowhere to be seen. There is a real risk that if we do not see this in the remuneration disclosure scheme, which would require the banks to exercise more transparency in their remuneration arrangements, things will not be implemented in time for the forthcoming bonus round, which is about to start in December.

We have not seen much movement on the measures to tackle irresponsible bank bonuses either. We have seen movement on this in Europe, but not on the domestic front. As has been said in the Chamber today, the banking levy is to bring in about £2.5 billion of revenue, and the Government are fond of saying that that is higher in net terms than the previous Government's

payroll tax. That is completely disingenuous, because I tabled a parliamentary question during the summer on the likely income from the banking levy and was told by the Treasury that it would raise £1.15 billion in 2011-12, rather than £2.5 billion. I was told that £2.32 billion was to be raised in 2013-14, not £2.5 billion. The income would finally reach £2.5 billion in 2013-14 before falling back again to £2.4 billion in 2014-15. So in 2014-15 the banks would be paying less than the amount that families will lose in child benefit.

What we were also not told in the CSR was that, under the paper issued by the Government, the day after, the banks will have a tax-free allowance—a levy-free allowance—of £20 billion, so they will not pay the banking levy on the first £20 billion of taxable liabilities. This is not a levy; it is a walk in the park for the financial services sector. The five biggest UK banks have already announced well over £15 billion of profits this year, so I ask the Government to spell out how those whom they said they would make pay for the crisis they caused are to be required to make a fair contribution, because we do not see it in the Green Book this week.

5.24 pm

Mary Macleod (Brentford and Isleworth) (Con): It is good to have this debate on the comprehensive spending review following the gross domestic product growth figures and the news of the enhancement of Britain's triple A rating, which was described by the Financial Times as

"offering a vote of confidence in the government's austerity programme".

For me, the CSR has summed up this Government's intention to deal with the budget deficit in a way that gets this country back on a firm financial footing and invests in our future.

Earlier, I was appalled when the hon. Member for Wallasey (Ms Eagle) not only did not recognise that there were some women on this side of the House, and directed her comments to the gentlemen—as fond as I am of my hon. Friends, I thought she ought to have recognised the talent that we have on the Front Bench in the shape of my hon. Friend the Economic Secretary to the Treasury and elsewhere, too—but, more importantly, did not give us any one plan or any cut that we have come up with that she could agree with. She also did not come up with plan of action that showed exactly what the Opposition would do to get rid of the awful mess that we are in, which they created.

The comprehensive spending review is all about fairness and getting things back on track, ensuring that we get value for money and investing in the future. The general public appreciate that cuts need to be made, and that those cuts need to be right and fair, but that we need to ensure that we support those in need. That is what I believe we are doing. There is nothing fair about running a huge budget deficit and burdening future generations with the debts that we are not prepared to pay.

I have met several people in my constituency who are keen to work but who are prevented from doing so because they would be worse off. The time has come to make those changes and to ensure that we deliver real change for the future. The hon. Member for Hammersmith (Mr Slaughter) was talking about the impact on the local area in London, but let me tell him about my vision not only for Chiswick, Brentford, Isleworth, Osterley, Hounslow and Hammersmith but for the rest of London and for the country beyond. I want to build confidence in people, no matter where they come from or where they live. I want to ensure that we build skills for the future and that we build hope and aspirations, so that we can get people back into work again. That is what I believe that the comprehensive spending review will do.

Those of us who spent many hours, days and years in business know that we can get better value for money in the public sector. As part of this plan we will look at each Department to see where we can simplify how we do things, where we can remove duplication and where we can add value. Those things are possible.

It is also important that we do not forget those organisations that play a key role across our many constituencies. Let me bring one to mind: Refuge, which deals with domestic violence. When local authorities and others are considering their budgets and prioritising their spending, I want to put in a word for organisations such as Refuge, which need support because they provide valuable services to the local community.

Finally, I want to touch on our investment for the future—that is, investment in infrastructure, in people and in growth. I commend the Government for their announced investments in Crossrail and in many of our roads—including in the Hounslow highways private finance initiative, for which we have support—and for their many other investment announcements. I agree with our Mayor that London plays a vital role as the engine of the UK economy and that investment in the capital is critical to the well-being of the economy overall.

We are also investing in schools, with the announcement of capital funding for and the refurbishment of schools. Several schools in my community—Chiswick Community, Hounslow Manor and Oaklands—need that support. They also need the support for the additional places that they will need for the future.

In this comprehensive spending review, the Government have had to deal with the economic realities and they have not shied away from their responsibilities. We are committed to cutting waste and reforming public sector services while at the same time investing in infrastructure, people and businesses to make this country successful for the future.

5.29 pm

Angela Smith (Penistone and Stocksbridge) (Lab): Last Wednesday, the Chancellor took a huge gamble on the future of the UK economy. The CSR statement, coupled with the June Budget, will take a staggering £80 billion out of our economy over the review period. Never before has any Chancellor cut so deeply and so quickly.

The people who will pay the price for that squeeze on the state will not be the 18 or so millionaires who sit around the Cabinet table. No, the price for the Chancellor's gamble will be paid by people on council estates who will see rents rise dramatically, civil servants in my constituency who will lose their jobs and students who will see their debts treble.

We all agree that the deficit needs to be reduced to a sustainable level, but that should not be at the risk of weakening an already fragile economic position, and it

[Angela Smith]

must be based on a strategy for growth and jobs—a strategy absent from the Chancellor's statement. The facts are that the Chancellor is hoping that export volumes will rise significantly over the period covered by the review. At the same time, according to the Chancellor's own figures, the economy will have to find an extra 2.5 million private sector jobs in the next five years.

To put that into perspective, during the last recession the UK managed to create 1.2 million jobs between 1993 and 1999. To get anywhere near the target that the Government have set themselves will require investment and an export boom on a scale that has never been achieved before—a point underlined recently by many political and economic commentators, including the well respected Will Hutton.

Although the £200 million to establish the elite research centres is certainly welcome and nothing new to us in south Yorkshire, where we already have the advanced manufacturing research centre, this investment is nowhere near enough, in the context of the sheer scale of the growth required, to rebalance the economy.

It is also important to remember at this point that the Government have already failed a key test on the support that they are prepared to give the private sector. In June they withdrew a Government commitment to fund the £80 million loan to Sheffield Forgemasters. Although I will not go into the stupidity of that decision now, it is clear, as the Business Secretary said in the Select Committee recently, that the nuclear reactor components at the heart of the proposed investment will now have to be manufactured abroad, and the UK will lose millions of pounds of exports to our international competitors. Surely that is not the way to go about rebalancing our economy.

How will 40% of cuts in funding to the higher education sector help to rebalance the economy? All that will do is damage our economic future. Also in further education, the Government are abolishing the education maintenance allowance, which has been recognised by many as a success. The Institute for Fiscal Studies, which is so obviously a thorn in the side of the Deputy Prime Minister, said that since the allowance was introduced, attainment at GCSE and A-level by recipients of EMA has risen by five to seven percentage points, and by even more for those living in the most deprived neighbourhoods.

That evidence is reinforced by college principals, who believe that many young people will not be able to stay in education and training without EMA, so why have the Government withdrawn a scheme which, in the great scale of things, costs relatively little and helps to give so many young people the skills desperately needed, if the Government are genuine about rebalancing the economy?

It is clear that the Government believe that private sector growth will, over the period, pull our economy on an upwards trajectory. I hope the Government have got that right, but I fear not. I fear that in a few months they will come back to the Chamber to revise the figures as the economy goes into a death spiral, and they will tell us that they cannot deliver the £17 billion savings and the cuts that they announced last week. That will not be achievable because unemployment will rise. The CSR is bad for Britain and bad for our economy. They should think again.

5.33 pm

Mr David Hanson (Delyn) (Lab): Thirty-one Members from all parties and all parts of the House, including the Chair of the Treasury Committee, have contributed to the debate, which has been interesting and well informed. It is clear that there is a real divide between the Government and the Opposition on how to tackle the deficit, the impact of the CSR, and the fairness of the measures proposed by the Government.

Several hon. Members *rose*—

Mr Hanson: I have five minutes or so to wind up the debate. I will not give way at present.

The spending review will hit jobs, children and families. It will gamble with jobs. It will gamble with the growth of the British economy and, as my hon. Friend the Member for South Down (Ms Ritchie) said, that of Northern Ireland as well. The spending review will hit the most vulnerable in our society the hardest.

Kwasi Kwarteng *rose*—

Mel Stride *rose*—

Mr Hanson: I shall give way to the hon. Member for Spelthorne (Kwasi Kwarteng).

Kwasi Kwarteng: I am obliged to the right hon. Gentleman. He acknowledges that there is a deficit and his party acknowledges that it would have made cuts, so will he please tell the House where those cuts would have fallen?

Mr Hanson: I know the hon. Gentleman was not a Member at the time, but I wish he had been here for the Budget proposals in March, when we set out clearly our deficit reduction plan.

The hon. Member for Colchester (Bob Russell) quoted the Bible at us. May I refer him to "Matthew", chapter 7, verse 16, and the notion, "By their deeds shall ye know them"? The spending review cuts too fast and too deep, and it rejects the sensible, balanced approach put forward by my right hon. Friends the Members for Edinburgh South West (Mr Darling) and for Kingston upon Hull West and Hessle (Alan Johnson).

The Government plan to take out of our economy and our spending £40 billion more than Labour thought sensible, so I was surprised to hear the hon. Member for Thurrock (Jackie Doyle-Price) call for more expenditure. Even the Office for Budget Responsibility thinks that the Government's measures will downgrade next year's growth forecast from 2.6 to 2.3%.

The Budget and the comprehensive spending review will hit jobs, essential services and, crucially, take public investment out of the private sector at a time when the Government want the private sector to grow. My hon. Friends the Members for Liverpool, Riverside (Mrs Ellman) and for Ochil and South Perthshire (Gordon Banks) and, indeed, the hon. Member for Macclesfield (David Rutley) recognised the importance of the public sector in helping to support future private sector investment.

We know, because the Chancellor admitted it last week, that 490,000 jobs will be lost in the public sector. The hon. Member for Dundee East (Stewart Hosie)

mentioned the impact on the defence sector. PricewaterhouseCoopers estimates that another 500,000 jobs will be lost in the private sector as a result, and my hon. Friend the Member for Nottingham South (Lilian Greenwood) described the impact of those losses. So let us not kid ourselves: the economy is still fragile. This week's announcement on growth over the last quarter still demonstrates that point and, put simply, throwing 1 million people out of work—out of the economy—will cost us more jobs than that and impact on the private sector in the long run.

The Government's measures will hit the private sector hardest. The hon. Member for Watford (Richard Harrington) talked about confidence, but confidence will fall if 1 million people are out of work. It will mean more people claiming benefits. As my hon. Friend the Member for Nottingham South said: fewer people in jobs, fewer people helping to grow the economy and higher welfare bills.

Government Members have been asking for it: there is an alternative to the Government's proposals. We clearly said in the Budget presented by my right hon. Friend the Member for Edinburgh South West in March that we would take steps to halve the deficit over four years.

Mr Raab: The right hon. Gentleman refers to the March Budget, but the former Chancellor, who sat in on much of today's debate, said in August of the election:

"Labour lost because we failed to persuade the country we had a plan for the future."

Was he right then? What has changed now?

Mr Hanson: The hon. Gentleman was not a Member in March, but if he had been, he would have seen our proposals to make efficiencies in policing, for which I was responsible at the time, of about £1 billion. He would have seen proposed efficiencies through savings on back-office staff, police procurement, public sector pensions and pay caps—a range of issues. The Conservative and Liberal Democrat policy, which has been brought before the House today, and which, by the way, we have not had sufficient time to debate, has been shown to be misguided. The people who will find it hard to get back into work will be hit hardest. *[Interruption.]* The right hon. Member for Rayleigh and Wickford (Mr Francois) has not even been in the Chamber most of the afternoon. He will whip Conservative Members to vote against child tax credits, child trust funds and the health in pregnancy grant, but he will not sit here and listen to the arguments about those issues.

There will be cuts in working tax credits for child care and a freeze on working tax credits, and people on jobseeker's allowance will be punished. As my right hon. Friends the Members for Barking (Margaret Hodge) and for Lewisham, Deptford (Joan Ruddock) and my hon. Friends the Members for Hackney North and Stoke Newington (Ms Abbott) and for Hammersmith (Mr Slaughter) said, cuts in housing benefit will exacerbate the problem. Women, children and the poorest in society will bear the brunt of these cuts.

As my hon. Friends the Members for Easington (Grahame M. Morris) and for Middlesbrough South and East Cleveland (Tom Blenkinsop) pointed out, the regions in the north of England will be hit the hardest, with the loss of the pregnancy grant, the ending of contributions to the child trust fund, the scrapping of the savings gateway scheme, and the cutting of child benefit, which, as my right hon. Friend the Member for Croydon North (Malcolm Wicks) so eloquently pointed out, is an unfair approach to tackling the deficit. My hon. Friend the Member for Hammersmith also said that that will raise serious issues. Even today the Chief Secretary to the Treasury stated very strongly that there was not a problem in the Treasury with enforcing these policies. Well, let us find out downstream whether there is a problem when we see how he ensures that there is fairness between those who earn a top rate of tax, with two incomes, and those who earn a lower rate of tax, with one income. I will be interested to see how that works in due course.

The poorest 10% of the population will be hit hardest by the deficit reduction plan proposed by the Conservatives and the Liberals. Members need not take my word for it—it comes from the Treasury's own figures in the Red Book. Massive cuts to public spending will threaten vital local services, which my hon. Friend the Member for Stockton North (Alex Cunningham) mentioned with reference to the fire service. Capital spending benefits the private sector most, because it is not the public sector that spends money on building things in the economy—the private sector does that.

David Rutley *rose—*

Mary Macleod: Will the right hon. Gentleman give way?

Mr Hanson: No, not in view of the little time I have left.

More widely, there are cuts to front-line policing, putting at risk Labour's record falls in crime and, as my hon. Friend the Member for Leicester West (Liz Kendall) noted, putting extra pressure on health and education services, despite pledges to support them.

Mary Macleod: Will the right hon. Gentleman give way?

Mr Hanson: Yes, I will, so that the hon. Lady can defend these policies, which are unfair, short-sighted and just plain wrong.

Mary Macleod: What is the right hon. Gentleman's plan, and which cuts does he agree with?

Mr Hanson: I can see a pattern developing. Members who were not here in March of this year did not hear my right hon. Friend the Member for Edinburgh South West outline his proposals.

Despite what the coalition would have us believe, this grossly unfair series of cuts is not inevitable—there is another way. The deficit was there because as a Government we faced a choice. Incidentally, the right hon. Member for Witney (Mr Cameron), as Leader of the Opposition, supported our deficit reduction plan and spending programmes. After much dithering, he supported us in taking measures to ensure that we did not let the United Kingdom slip into a depression. Members such as the hon. Members for Central Devon (Mel Stride) and for Watford do not realise that the official Opposition

[Mr Hanson]

supported us in ensuring that we took action to help to support the banks to keep people in their jobs and to keep people's mortgages alive.

That is unlike what happened in the recessions of the early 1990s, which I remember as a Member of Parliament, when we saw mortgages go up, houses repossessed, and jobs lost in their thousands. We took action to save those things on behalf of the British people, and we were proud to do so. The action that we took kept people in their jobs, kept people in their homes, and gave more businesses the support they needed than at any time during the 1990s. Through our action, inflation stayed at a historical low and plans were put in place to ensure that we saw a return to growth at the end of this year. We took that action to support the economy.

We need to bring the deficit down—certainly we do. We know that tough spending choices are needed, and in our Budget we looked at saving money on IT systems in the NHS, police overtime and welfare, and made £15 billion of efficiency and back-office savings on a range of other issues. They were important savings. *[Interruption.]* As my hon. Friend the Member for Streatham (Mr Umunna) says, we raised money through a higher and more effective banking levy.

This comprehensive spending review debate is about choices. It is about choosing whether the banks bear more of a burden than our children. It is about choosing whether we cut public services spending deeply or quickly—and we would not. It is about targeting new tax rises to fund £7.5 billion of capital spending in order to support jobs now. The Government are making the wrong choices. We are not "all in this together". They are gambling with jobs, gambling with growth, deepening unfairness, and increasing inequality. To cite a notable former Prime Minister, there is an alternative.

We announced our programme in our Budget in March, and we were elected—every single one of us—on that programme for the future. In the coming weeks and months, we will promote that alternative vigorously, expose this Government's reckless policies and ensure that we stand up for the ordinary, squeezed, middle-class people of this country and the people on lower incomes. We will reject the cuts where it is appropriate to reject them and support efficiencies where they should be made. *[Interruption.]* Again, the right hon. Member for Rayleigh and Wickford was not listening to what was said earlier. He has not been here listening to the debates and the arguments. I urge him and the House to reject this comprehensive spending review, support the Labour alternative and ensure that we defend the poorest in our society.

5.45 pm

The Economic Secretary to the Treasury (Justine Greening): We have had a very good debate on the Government's spending review, and I thank all hon. Members who have contributed.

Last week my right hon. Friend the Chancellor stood in the House and set out a clear plan to pull Britain back from the brink, to deal with our debts and to put our nation's finances back on a sustainable path. When we came to power, we inherited an economy that was on its knees and took over from a Government with no clear plan for getting it up and running. There was no strategy for recovery and no ideas for reform, and not a single penny of savings had been identified. If Opposition Members would like to intervene to tell me which of our spending cuts they would like to support, I would be very happy to take the intervention right now.

The right hon. Member for Delyn (Mr Hanson) talked about the March Budget, but it was a Budget and a plan that the British people rejected at the ballot box. While the Opposition are in denial, they will have no prospect of coming up with a plan to solve the grave problems that this country faces following 13 years of their being in government.

We took over when our country was borrowing £1 for every £4 it spent. We were running the highest deficit in our peacetime history and the highest in the G20. Britain was not living within her means, and the world knew it, as my hon. Friends the Members for Spelthorne (Kwasi Kwarteng) and for Central Devon (Mel Stride) pointed out. In fact, the previous year, the International Monetary Fund warned that we needed to accelerate deficit reduction. As my right hon. Friend the Member for Wokingham (Mr Redwood) said, that was critical to getting our country's finances back on track.

In May we announced immediate reductions in in-year spending, avoiding the sovereign debt crisis that was engulfing the eurozone. In June, we set out our emergency Budget, returning credibility to the nation's finances, and this October we have had the spending review, bringing years of irresponsible borrowing to an end and giving our country the best chance of keeping interest rates low, stimulating business investment and keeping mortgage rates low, and so helping families.

We have had to tackle the deficit—it has been unavoidable. However, we have chosen to spend the money that we have on the areas that matter most to Britain, which are the education of our children, the health care of our people and the infrastructure that sustains a prosperous economy. As my right hon. Friend the Chief Secretary said, underpinning all our decisions have been three guiding principles: first, the need to support growth; secondly, that our choices are fair; and thirdly, that we deliver reforms to our public services, making them fit for the 21st century. As the hon. Member for Redcar (Ian Swales) pointed out, those principles were entirely missing in the last Government's comprehensive spending review of 2007.

Angela Smith: Can the Economic Secretary give us any indication of the evidence that the Government have used to rely on the creation of 2.5 million new jobs in the private sector over the next five years?

Justine Greening: As the hon. Lady will be aware, we have set up the Office for Budget Responsibility, which is an independent office. It is the OBR that is predicting year-on-year falling unemployment and rising employment. I hear Opposition Members talking about 480,000 or 490,000 public sector job losses, but I am afraid they have to consider that the same report assesses that 1.6 million jobs will be created in the private sector. They cannot have it both ways.

Chris Williamson: Will the Economic Secretary give way?

Justine Greening: I will not, because we have had a long debate and I have three minutes to respond to each hour of it. I really do want to try to cover the points that hon. Members who participated raised. I apologise to the hon. Gentleman, but I want to respond to what has been said.

The bottom line is that if a country loses control of its finances, it loses the ability to choose how to spend its money, and its priorities become those of its debtors, not of its people. That is why we outlined a clear and credible plan to deal with the deficit when we came to government and that is why we will stick to it. The Government are firmly focused on achieving sustainable growth. Tackling the deficit will help to provide the strong economic bedrock on which the private sector can build, as my hon. Friend the Member for Esher and Walton (Mr Raab) pointed out.

Chris Williamson: This morning, I met a representative from the UK construction group that represents some of the largest construction companies in the country, which said that it did not recognise the growth figures that the Prime Minister quoted yesterday. It said:

"The 4% increase in construction turnover in"

quarter 3

"is unbelievable and does not reflect the mood of the major players".

Is it not a fact that the private sector-led recovery on which the hon. Lady is relying is just a fantasy and will not come to fruition?

Justine Greening: I was about to ask the hon. Gentleman to give way, Mr Deputy Speaker. The Government are spending slightly more on capital infrastructure than the previous Government, so heaven knows what the industry would have thought of Labour's plans. In the next four years, we will invest more than £30 billion in transport projects, £14 billion of which will fund maintenance and investment in our railways and £10 billion of which will be spent on road, regional and local transport schemes. We have created the new green investment bank to help finance sustainable infrastructure for the future and we have launched the £1.4 billion regional growth fund, which has rightly been welcomed by my hon. Friends the Members for Bristol West (Stephen Williams) and for Macclesfield (David Rutley).

Even when faced with the economic problems bestowed by the Labour party, we are still investing tens of billions of pounds in Britain's future. That goes alongside the reduction in corporation tax that we brought forward in the emergency Budget and the reduction in national insurance that we have also brought forward, scrapping the Labour party's jobs tax. The hon. Member for Wallasey (Ms Eagle) said that the spending review is not just about numbers, but I shall give her a number—400,000. That was the number of extra unemployed at the end of Labour's time in power, but Labour still wanted to introduce the jobs tax.

The hon. Members for Easington (Grahame M. Morris), for Stockton North (Alex Cunningham), for Middlesbrough South and East Cleveland (Tom Blenkinsop), for Penistone and Stocksbridge (Angela Smith) and for Nottingham South (Lilian Greenwood) all spoke of their concerns about the spending review and the cuts, but none of them offered any alternatives. We hear about the Opposition supporting cuts, but we never find out which ones they support.

The second principle behind our decisions is to ensure fairness and make sure that those with the biggest shoulders bear the largest burden, while protecting the most vulnerable in our society. That is why the Government have restored the earnings link for the state pension and ring-fenced NHS funding. We want to give every child the best possible start in life by increasing the child tax credit for the lowest-income families and by protecting our investment in schools. There is nothing fair about not tackling the deficit and placing the millstone of debt that we currently have around the necks of our country's 20-somethings for the future.

Malcolm Wicks: Is it fair that when the cuts, including those to child benefit, are analysed, time and time again those who are hit the hardest are mothers and children? Does that make sense in terms of family policy?

Justine Greening: I do not accept that at all. The right hon. Gentleman needs to have a chat with the hon. Member for Hammersmith (Mr Slaughter), who was claiming that families on £79,000 a year are too rich to get support from the local council to access housing in London but too poor to have their child benefit withdrawn. That shows the incoherence of Labour's policy on the economy, particularly on welfare—a budget that accounts for almost £1 in every £3 that we spend.

As my hon. Friends the Members for Harrow East (Bob Blackman) and for Brentford and Isleworth (Mary Macleod) said in their powerful speeches, work simply does not pay in our welfare system. People are put on benefits with no prospect of ever being better off in work and, as my hon. Friend the Member for Eastbourne (Stephen Lloyd) pointed out, successive generations are condemned to a life of state dependency. Opposition Members might think that that is fair, but I do not. It is one reason why over the coming years and next two Parliaments the Government will introduce the universal credit—to make sure that people on welfare will always be better off by moving into work.

Mr Slaughter: The Leader of the House will confirm that at business questions today, I quoted the Mayor of London on the reduction of housing benefit, which he described as "Kosovo-style social cleansing." Since then, he has said:

"I do not agree with the wild accusations that reform will lead to social cleansing."

Why has he changed his mind in the six hours between now and then? Is it by any chance anything to do with a call from No. 10 Downing street?

Justine Greening: That was a completely ineffective intervention. The hon. Gentleman ought to complain to Labour Front Benchers for their being so utterly ineffective at creating extra social housing in the capital during their many years in power. It was shocking how little affordable housing was created under the previous Government.

Even when spending is being reined in, we have found more resources for our schools and for the early-years education of our children. That has meant other Departments taking bigger cuts, but we believe that that

[Justine Greening]

is the right choice for our country's future. The right hon. Member for Croydon North (Malcolm Wicks) quoted Eleanor Rathbone, who said that children are assets to the community. She was right, which is precisely why there will be a real increase in the money for schools in the next four years. In fact, my hon. Friend the Member for St Austell and Newquay (Stephen Gilbert) also recognised the importance of that. That is why the schools budget will rise from £35 billion to £39 billion, why we are maintaining cash spending on Sure Start, and why we are introducing a new £2.5 billion pupil premium to focus our resources on the children from the most deprived backgrounds in our country.

Our third and final principle in the spending review was public service reform. We are reducing back-office costs to free more resources for the front line. The right hon. Member for Barking (Margaret Hodge) spoke of the challenges of improving efficiency in government, but unlike her party when in power, we aim to be successful. We have started that process by finding every last penny of possible savings, and we are beginning to eliminate the monumental waste that became endemic in the past decade. We are tackling administration, improving procurement, and scrapping ineffective and expensive IT systems, which became a feature of the previous Government. When we started that process, we looked to make £3 billion of savings, but now we will make £6 billion of savings.

Finally, our reform agenda will see a massive devolution of power from the centre. Apart from schools and public health, we will end the ring-fencing of all Government grants to local authorities from April next year. More than 90 separate core grants to councils will be reduced to fewer than 10. Councils welcome that freedom even if the hon. Member for Leicester West (Liz Kendall) does not. We will change how services are delivered through increased payment by results and personal budgets, and by introducing new rights for communities to run services and own assets. We are therefore giving more powers to the front line and more to local government and communities — the very people who know their area best.

We are cutting the ridiculous levels of red tape that tie the hands of our police forces and so many other people who are working hard in the public sector to deliver the services on which our communities rely. Our approach is different to that of the previous Government. By cutting waste and abolishing unnecessary targets, we will free the public sector to deliver a more efficient, transparent and better-tailored service to the people and communities who rely on them most.

Let me conclude the debate by saying that the decisions that we have taken have restored credibility to our public finances and stability to our economy. When the coalition Government came to power, we faced the worst economic inheritance in modern history. The previous Government spent our money like there was no tomorrow, but tomorrow has now arrived. The Labour Government left debts that undermined the funding of our public services and threatened every job in the country. They wanted to introduce a jobs tax at the very time when employers were crying out for help.

We have had to make tough choices, but they are the right choices. We are determined to ensure that everybody pays their fair share. I simply reject the comments of Opposition Members. As ever in such debates, they spent several hours explaining what they did not like, but simply failed to say what they did like. It is unacceptable to participate in such a debate without offering a meaningful alternative plan.

We have ensured that everybody pays their fair share. We are reforming welfare and cutting waste, and we are investing in growth, schools and health. That is how we will drive growth in this country and create jobs for the future. With no help from the Labour party, we have taken our country back from the brink of bankruptcy and we will build the more dynamic, prosperous and sustainable economy that Britain so badly deserves.

That is why this spending review is how we will get our country back on track. I believe that generations to come will recognise that when our—

6 pm

Motion lapsed (Standing Order No. 9(3)).

Tony Cunningham (Workington) (Lab): On a point of order, Mr. Deputy Speaker. Why was no decision made about whether the debate that we had been having all afternoon had gone on long enough?

Mr Deputy Speaker (Mr Nigel Evans): The rules of the House dictate that once the debate has gone past 6 o'clock it finishes and we move on to the Adjournment debate.

European Arrest Warrants and Extradition

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

6.1 pm

Mr Sam Gyimah (East Surrey) (Con): Thank you, Mr Deputy Speaker, for the opportunity to address this issue and for allowing my hon. Friend the Member for Enfield North (Nick de Bois) to speak too. This issue has affected several of my constituents, often referred to as the Crete five, as well as my hon. Friend's constituent, Andrew Symeou, who is a notorious example of the frailties of the legislation. The subjugation of an individual to the will of the state—any state—is an important issue and one on which the new Government are right to focus attention.

I commend the Government for appreciating that all is not right with our extradition treaties at present and that a review is a sensible step to address some of the concerns felt by many people. Without doubt, there are discrepancies between the justice systems of the many countries involved in extradition treaties. For example, a number of the offences for which a European arrest warrant can be issued are not crimes in this country. Indeed, many have fought hard so that racism and xenophobia do not become crimes in Britain. There are also clear differences between nations regarding prisoner rights and prison conditions, and these were at the forefront of the minds of the Crete five when they faced extradition proceedings earlier this year. Not only were they concerned by the initial summons they received, which was unclear as to its force and required them to appear in a Greek court just two weeks later, but they also feared a repeat of the case of Mr Symeou, who spent 10 months in a Greek jail without trial.

Those concerns remain very real for anyone facing the threat of extradition to a foreign country. Irrespective of innocence or guilt, the nature of the alleged crime or indeed nationality, certain standards must be maintained regarding the treatment of prisoners. That is as much a part of our justice system as the final verdict handed down, and we should expect our treaty partners to adhere to those same values.

At present, not enough safeguards exist to ensure that people are not sent to foreign prisons under foreign laws without good reason. The experience of many is that extradition is a fine thing only to someone who is running the criminal justice system. Individuals risk their whole life collapsing while they are hauled away without evidence and without hope of a trial any time soon.

We must be careful that the long-held, much cherished value of "innocent until proven guilty" is not swept under the carpet as simply the price we have to pay for international co-operation. I hope we do not move towards the French system, about which some have commented that people are seen as guilty from the moment the judicial system is interested in them. Judiciaries of any nation should have to provide some sort of prima facie evidence before extradition takes place. It cannot be right that an unfounded allegation based on evidence that would never stand up in a British court can lead to an extradition once a couple of boxes have been ticked.

There should be some element of proportionality in the system. I would venture that spending vast sums of money to extradite someone accused of stealing a piglet, as has happened recently, may somewhat diminish the power of the warrant when it is issued for more serious offences. The Government should seek assurances about the provision of legal aid and representation for extradited citizens. We must never send people overseas without any idea of whether bail will be granted or whether they will spend the next year of their life in prison with no trial date and no chance to clear their name. As we have seen in the case of Gary McKinnon, Britain should not be signing treaties that will allow other signatories to refuse to extradite when we are sacrificing that right. It is not in the interests of British citizens, and it leads to unbalanced treaty agreements.

There are many reasons for a review. It is long overdue, so I applaud the Government for acting so quickly on the matter. However, if I may, I would like to offer a word of caution. The European arrest warrant was introduced into British law in 2003. The then Prime Minister, Tony Blair, dismissed concerns raised by the Opposition, saying that

"there is one problem with the proposal for a large part of the Conservative party: it has got the word "Europe" in it." [*Official Report*, 12 December 2001; Vol. 376, c. 836.]

Although I recognise the politics he was playing, I would not agree with the substance of what he said. This is not an issue primarily about Euroscepticism. It is not a rant against all things European. It is to do with the British values that we hold and our determination to protect those values and our citizens wherever they are in the world.

I urge those conducting the review not to be browbeaten into believing that the valid concerns that were raised in 2003, and which will undoubtedly be raised again, are in fact nothing but the rantings of anti-Europeans. In fact, we have seen, with every day of this coalition Government, that co-operation between different tribes is a good thing. It gets things done, and can turn a desperate situation into a more promising outcome. So there are good reasons for having extradition treaties, and there were many good reasons when the Extradition Act 2003 was first passed. It is now quicker and easier to bring people to justice for the crimes they commit. They cannot just flee across the channel, and they cannot drop in and out of countries with scant regard for the law, and in the globalised world we inhabit, it is a tool we can use to combat one of the biggest challenges facing us—that of a terrorist threat which knows no borders and no nationalities.

At the time of the 2003 Act, however, concerns about how these laws would operate were raised from across the political spectrum. We ploughed on unbowed. Perhaps that was understandable. The events of 9/11 tipped the balance in favour of the EAW. The catastrophic nature of those events no doubt shaped much of our security policy in the following years, and the belief prevailed that "needs must" and that although the objections had some merit, they did not outweigh the need for immediate, decisive action. Now that those events, although still a constant reminder of the danger we face, are less pressing and less immediate, perhaps we can have a period of considered reflection under this review, so that we can begin to answer some of the questions that were batted away when the law was first introduced.

[Mr Sam Gyimah]

That is why a review is long overdue. Our allies have made the EAW work for them—for example, Germany has the sort of proportionality test I have mentioned—and I hope that the review does the same for Britain. Yes, if British nationals break the law, they must face justice, as should those from other countries who transgress here. However, every time we read about one of these cases I have mentioned, every time someone is mistreated in a foreign prison off the back of a loosely issued EAW, and every time a year of a young person's life is lost because of something that someone somewhere claims to have seen happen, we lose faith in this process as a proper tool of justice, and we retreat to an unhelpful position of instinctive distrust in international co-operation.

6.8 pm

Nick de Bois (Enfield North) (Con): I congratulate my hon. Friend the Member for East Surrey (Mr Gyimah) on securing this important Adjournment debate. In the time permitted, I cannot review all the aspects of this matter, but I must focus on the key points as pertaining to my constituent, Andrew Symeou. Enfield has a unique and specific interest in the European arrest warrant and extradition, given that two of the current most high-profile cases exposing the system's failings involve Enfield residents—Andrew Symeou and, of course, Gary McKinnon. I and my constituency neighbour, my hon. Friend the Member for Enfield, Southgate (Mr Burrowes), hope and expect that the review of Gary McKinnon's case will mean that he is not the last victim of an imbalanced process, but the recipient of a new, just and proportionate approach. Perhaps the Minister can update us on that review.

My central premise today, however, is that for the last decade the European Union has been driven by procedural safeguards and processes, not defendants' rights, as moves to enhance speed and efficiency do so at the price, in this case—I believe—of a potential miscarriage of justice. Those who support the European arrest warrant do so because they believe that more criminals get caught. That is a noble goal, and one that I and, I am sure, all Members of the House fully support, but the performance of the warrant is flawed.

Sadly, those who criticise the operation of the European arrest warrant are often cast as apologists for wild European extremists, or organised crime and terrorism. That, of course, is arrant nonsense. For me, it is a question of balance. I do not believe that a system that produces potential miscarriages of justice at one level should be tolerated in the interests of speed at another. The application of the warrant without proper procedural guarantees has in some cases led to the denial of justice. One of those cases concerns my constituent Andrew Symeou. Andrew was in prison in Greece for 10 months awaiting trial on a charge of manslaughter. Until his final release on bail, the charge was one of manslaughter, although as testified by our High Court, there is sufficient evidence of what I can perhaps describe as the over-enthusiastic interrogation of witnesses. Indeed, there even appears to have been a case of mistaken identity. In Andrew's case and others, surely the European arrest warrant has been misused.

Let me summarise Andrew's experiences. In doing so, I hope in parallel to illustrate how the European arrest warrant has failed, and perhaps thereby help the review by Lord Scott Baker. In short, there has been a failure to scrutinise the case by British courts for prima facie evidence; a lack of bail or euro-bail; a failure of mutual recognition; and, we must never forget, delayed justice for the family of the victim of that tragic incident, which led to the death of Jonathan Hiles—a delayed process that, three years on, leaves us with no one having come to trial yet. As much as anything else, that is not good for the family of the victim.

I cannot address all those issues, but let me turn to the point highlighted earlier, about submitting prima facie evidence prior to extradition. In British law, the Crown Prosecution Service makes the decision to charge individuals with criminal offences in complex cases. The decisions must be made fairly, independently and objectively. It is the duty of the CPS prosecutors to ensure that the right person is charged for the right offence. The key point is that when making a decision, the CPS will always decide whether there is enough evidence against the defendant. Therefore, the quality and reliability of that evidence will also be investigated, and cases progress only if there is considered to be a realistic prospect of conviction.

However, the EAW is based on one of 32 listed crimes in respect of which there is no need for a dual criminality test or any obligation to ensure that prima facie evidence is provided by the member state requesting extradition. Essentially, it requires us to go through a tick-box exercise. All that is required is that the judicial authority in the member state requesting extradition should detail the criminal offence believed to have been committed—that is, ticking the box—and indicate the length of sentence to be expected. In Andrew's case, he contested the request for extradition between 27 June 2008 and May 2009, but the court was able to examine only the process, and at no stage the facts of the case.

How powerless has British justice become when the High Court dismisses the appeal by the Symeou family even though in some instances it agrees that the evidence submitted shows that the local police investigation was flawed and when it could not rule out the possibility that the police were guilty of the manipulation and fabrication of evidence? How futile is our justice when it is decided that a young British man's future is not under our control, but is instead an argument to be had in Greek courts? Leave was granted to appeal to the House of Lords, but the House of Lords in turn rejected it.

The second point that I would like to consider in the time available is the issue of bail. When the European arrest warrant was agreed in 2002, it was with the understanding from all sides that this measure, which would have the effect of causing EU citizens standing trial to be held in prison in another member state, would be swiftly followed by measures guaranteeing their fair trial rights, as well as guaranteeing that there would be no miscarriages of justice. That promise was betrayed by member states when they failed to agree in 2004 to a proposal for a framework decision on procedural rights. All we can hope for now is, at best, a piecemeal approach.

The European Council is promising only to consider, not to legislate on, a so-called euro-bail, which would have helped my constituent who had been explicitly refused bail because he was a foreigner. Several years

ago, Lord Lamont predicted with characteristic foresight the plight of my constituent when he said:

> "In some countries, bail is frequently refused to foreigners for fear they will abscond. In fact, there are several hundred British citizens on remand in Europe's prisons many of whom would have been released on bail if they were nationals of the country holding them."

Is it any wonder that my constituent and his family feel the UK Government have repeatedly let them down? Andrew was forced to languish in jail on remand for 10 months until June this year, yet with the existing EAW, one member state could all too easily have returned him, if he had been able to serve bail over here—under the European arrest warrant.

The emotional and financial cost to the family, who have remained supportive throughout, has been extraordinary. They have had to decamp to Greece to be with their son when he was first extradited 16 months ago. Their ability to continue to run their business and provide an income has been seriously compromised, but despite that, the family members have remained united and passionate in their campaign for justice for their son. They want him to have his day in court. I pay tribute to their courage and resilience in the face of this huge adversity.

To conclude, we should have an agreed framework of extradition for member states within the European Union—I accept that. The process needs to be fast, but should not be carried out without respect for an individual's right to a fair trial and a fair judicial process. At the heart of these flaws is the expected notion of mutual recognition between the judicial process in member states. The process of mutual recognition allows for miscarriages, as we have discussed. I suggest that a system of mutual understanding would suit the process of a European arrest warrant far better. Such a process would allow for reasoned debate before EAWs were acted on rather than allow European law simply to supersede our law. This would allow European warrants to be declined if the acts were viewed as non-criminal in the UK or the evidence was insufficient.

It seems perverse that hon. Members on both sides of the House were up in arms over the 42-day detention provisions of the last Parliament, yet we are willing to have our own citizens held in foreign prisons for far longer as a result of a flawed piece of legislation. Should we as a House accept that liberty and justice be sacrificed for expediency?

6.18 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): I congratulate my hon. Friend the Member for East Surrey (Mr Gyimah) on securing this debate and on the measured way in which he delivered his comments this evening. I would also like to thank my hon. Friend the Member for Enfield North (Nick de Bois) for highlighting a number of issues about the European arrest warrant and for posing a number of questions about the operation of the system. In the time available, I shall try to address as many of the points highlighted by my hon. Friends as I can.

The European arrest warrant is an important mechanism in the administration of justice in the European Union, where citizens can move across its borders with relative freedom for the purposes of business or leisure. Of course, no one sought for trial in the EU should be able to evade justice by crossing a border, which is why the warrant is important, but to be really effective it must command the confidence of those whom it affects, striking a fair balance between the rights of those sought and the rights of their alleged victims. For that reason, I welcome the opportunity this debate affords to explore some of the pertinent issues.

My hon. Friends have raised a number of points, and I would like to add some of my own. My hon. Friend the Member for East Surrey is aware that there is no ministerial involvement in European arrest warrant proceedings. A European arrest warrant can be issued only by a recognised judicial authority, and the decision about whether to order surrender is a matter for the courts in the country receiving the warrant. Having said that, I appreciate the concerns that my hon. Friend has expressed about the welfare of his constituent and his constituent's co-accused, who were surrendered on a European arrest warrant earlier this year to Crete to face serious criminal charges. I am aware of the circumstances of the case, in which another young man, Mr Robert Hughes—also a British citizen—was assaulted and very seriously injured.

The House will appreciate that I cannot comment on, and still less seek to intervene in, the judicial processes of another state. But I can say that the accused were surrendered to Crete in early August after their appeal rights under part 1 of the Extradition Act 2003, which gives effect to the European arrest warrant in the United Kingdom, were exhausted. Once there they were granted bail on payment of a surety, and as far as the Foreign and Commonwealth Office is aware, they have been permitted to return to the United Kingdom pending the setting of a trial date.

My hon. Friend the Member for Enfield North mentioned the case of his constituent, Andrew Symeou. Mr Symeou was surrendered to Greece on a European arrest warrant last year, where he is accused of the manslaughter in 2007 of Mr Jonathan Hiles, also a British citizen. I can certainly confirm the advice received from the Foreign and Commonwealth Office that Mr Symeou is now on bail in Greece and awaiting trial in March next year. The trial was postponed from June this year because summonses for British witnesses were regrettably not able to be served on time. This is self-evidently distressing for all those involved in this tragic case, but I trust that the delay will not result in a denial of justice to any of the parties. I can assure the House that the unit in the Home Office that processes summonses from overseas has flagged its system with the names of these witnesses. That means that when the summonses containing the necessary information are re-sent by the Greek authorities, they will be identified promptly and served on the witnesses.

It would not be appropriate for me to comment further on individual cases, but in general terms Members will be aware that the Extradition Act 2003, and the various treaties and instruments to which it gives effect, contain a range of safeguards for the person whose extradition is sought. These safeguards are in place to strike a balance between the rights of the requested person and the rights of their alleged victim or victims, as I said earlier. It is important that suspects are quickly brought to justice, and that is no less the case when the offence has cross-border elements.

[James Brokenshire]

My hon. Friend the Member for Enfield North mentioned that a European arrest warrant may be issued when a fugitive is merely required for investigation. I can reassure him on that point. The instrument states categorically:

"The European arrest warrant is a judicial decision issued by a Member State with a view to the arrest and surrender by another Member State of a requested person, for the purposes of conducting a criminal prosecution or executing a custodial sentence or detention order."

I hope that that provides a measure of clarification. He also made the general point that, in cross-border cases, bail is often denied to defendants who are not residents of the country in which they are charged. He might be aware that another EU criminal justice measure, the European supervision order, was adopted last year. It is not yet in force, but it will provide for a more flexible system of bail in cross-border cases. In any event, decisions on bail, whether here in the United Kingdom or abroad, are a matter for the trial court, which will be mindful of the importance of ensuring the attendance of defendants.

The coalition Government are aware of the public interest in the United Kingdom's extradition arrangements, and I have noted with care the comments that my hon. Friends have made in this regard. That is why my right hon. Friend the Home Secretary announced a judge-led review of our extradition arrangements to Parliament on 8 September. On 14 October, the coalition Government announced that the independent review would be led by Sir Scott Baker, a former Lord Justice of Appeal. He will be supported by two lawyers with wide experience and in-depth knowledge of extradition law. The operation of the European arrest warrant will be looked at as part of the review to ensure that it operates as effectively as possible and in the interests of justice. In her statement to the House, the Home Secretary announced that the five issues that would be covered by the review were the

"breadth of Secretary of State discretion in an extradition case; the operation of the European arrest warrant, including the way in which those of its safeguards which are optional have been transposed into UK law; whether the forum bar to extradition should be commenced; whether the US-UK extradition treaty is unbalanced; whether requesting states should be required to provide prima facie evidence." [*Official Report*, 8 September 2010; Vol. 515, c. 18WS.]

The issue of prima facie evidence is one of those that are under review as part of the investigation. It is a long time—nearly 20 years—since prima facie evidence has been required to support an extradition request between European countries. The European convention on extradition, which preceded the European arrest warrant in the EU, abolished the requirement for prima facie evidence. The United Kingdom implemented the convention in 1991, when the Extradition Act 1989 came into force. My hon. Friend the Member for Enfield North asked about the case of Gary McKinnon. The Home Secretary obtained an adjournment of the High Court hearing so that she could consider the issues for herself, along with further representations from Mr McKinnon. She can legally stop extradition at this stage in the proceedings only if she concludes that Mr McKinnon's human rights would be breached if he were extradited. She is actively considering those issues with a view to reaching a decision as soon as possible.

Mr Gyimah: The Minister has mentioned the Home Secretary's involvement in the Gary McKinnon case. Would it not be helpful to ensuring justice if she became more directly involved in other extradition cases? At present, political involvement is completely absent from extradition.

James Brokenshire: As I have said, the extradition review will consider a range of issues relating to extradition arrangements. Obviously I do not want to prejudge the outcome of the review, but I am sure that the hon. Gentleman's point will have been heard very clearly.

A number of concerns have been expressed about the European arrest warrant, but, as Members have pointed out this evening, it has been an invaluable tool in the fight against international crime within the EU. The European arrest warrant system has simplified and speeded up the extradition of persons both to and from the United Kingdom, and has made possible some procedures that were not formerly possible. Before the warrant was introduced, some EU member states had a constitutional bar on the extradition of their own nationals. The warrant has removed that barrier to extradition, and has updated or streamlined the extradition process in a number of other ways.

An increasing number of European arrest warrants are being dealt with in the United Kingdom. They are issued for a range of different offences. For an offence to be extraditable, it must be punishable by the law of the issuing member state with a custodial sentence for a maximum period of at least 12 months, or, when sentence has been passed, with a sentence of at least four months. Offences that fall into one of the categories on the list contained in the European arrest warrant framework decision—all serious offence types—and that are punishable with a maximum sentence of at least three years in the issuing state may not be subject to the dual criminality test in the executing state. However, for the purposes of all other offences, the United Kingdom has implemented an optional further safeguard, and requires that the offence must also be an offence in the United Kingdom. The EU is actively exploring the best means of addressing the issue of proportionality in the number of warrants issued, and the United Kingdom is playing a leading role in its discussions.

When it comes to justice and home affairs in the EU, the picture is constantly evolving. The Government have decided to opt into the EU directive on the right to information in criminal proceedings. Opting in will help to protect the civil liberties of our citizens abroad without compromising the integrity of the United Kingdom justice system.

My hon. Friend the Member for East Surrey mentioned legal aid. Legal assistance is an issue that is included in the Stockholm programme and the Commission is introducing a proposal on legal assistance for consideration next year.

I am pleased to have had the opportunity to debate the United Kingdom's extradition arrangements with member states of the European Union. Clearly, the issue is being examined carefully as part of the review that I have highlighted. That is why the review has been set up. It will report next summer, after thorough consultation—

6.30 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Monday 1 November 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

West Midlands Police

1. **Mr Bob Ainsworth** (Coventry North East) (Lab): If she will discuss with West Midlands police the likely effects on police numbers in the west midlands of the outcome of the comprehensive spending review. [20298]

The Secretary of State for the Home Department (Mrs Theresa May): The Government's first duty is to protect the public. The events of the last few days have been a stark reminder of the harm our enemies wish to inflict on us. I will make a statement later this afternoon on the airline terror plot, following the Prime Minister's statement on the European Council.

To respond to the right hon. Gentleman's question, I spoke to Chris Sims, the chief constable of West Midlands police, just under a fortnight ago. He reassured me, as he has also done publicly, that he remains absolutely confident that West Midlands police will continue to protect and serve people in the west midlands in the way they expect. I will continue to hold discussions with police forces.

Mr Ainsworth: Of course they will try, but West Midlands police is planning to shed 400 police officers and support staff, and that is just in year one. Why is low-crime Surrey getting a far lower rate of cuts than the west midlands? I thought we were all in this together.

Mrs May: May I first thank the right hon. Gentleman for advance notice of his question, which he tweeted about half an hour ago?

The effectiveness of a police force does not depend primarily on the numbers of staff. What matters is how effectively they are deployed, whether they are visible and available doing the job the public want them to do, and whether they have been freed from unnecessary paperwork and bureaucracy. We will be doing that, and the steps we are already taking to do away with the stop-and-account form and to reduce the amount of information recorded for stop and search will save 800,000 man hours a year.

Ed Balls (Morley and Outwood) (Lab/Co-op): We will hear more from the Home Secretary later this afternoon about the security threat to our country, but I am sure the whole House will want to join me in commending her on the very calm way in which she has handled events over the past few days. I also want to thank her for welcoming me to my shadow role and offering me a detailed security briefing.

On the spending review and its impact on police numbers in the west midlands, at the weekend the Home Secretary said that in the spending review it is important that the Home Office takes its share, and policing is taking its share in that, but given that the NHS budget is rising by 0.4% in real terms over four years and the Defence and Education budgets are falling by 7.5% and 11%, does the Home Secretary really think a real-terms cut in the Home Office budget of 25% and a 20% real-terms cut in the central resource budget for policing constitutes a fair share?

Mrs May: May I first welcome the right hon. Gentleman to his post as shadow Home Secretary? I was pleased to be able to welcome him to his new position with a telephone call and, indeed, to be able to update him over the weekend on the recent events that have taken place—they will be discussed in more detail later this afternoon, of course.

I simply say to the right hon. Gentleman that, yes, it is important for the Home Office to be willing to look at playing its part in dealing with the biggest deficit of any G20 nation, a deficit that was left as a legacy to this country by his Labour Government.

Ed Balls: Police leaders in the west midlands and across the country will have to decide for themselves whether that was an adequate answer. In the last week, the accountancy firm KPMG has estimated that 18,000 police officers will lose their jobs, and the Police Federation says 20,000, which would mean that 1,200 officers would be lost in the west midlands alone in the next four years. Given the impact these cuts will have in the west midlands and across the country, does the Home Secretary agree with these estimates of deep cuts to front-line policing, or does she think that KPMG and the Police Federation have got their sums wrong?

Mrs May: I repeat to the right hon. Gentleman what I said to the right hon. Member for Coventry North East (Mr Ainsworth): the issue of policing and the effectiveness of policing is not just about numbers, which is what he and his colleagues seem to think; it is about how we deploy police staff and the job they are doing out on the streets. I have more confidence in the ability of our chief constables up and down the country, chief constables like Jon Stoddart in Durham, who says that

"our commitment to neighbourhood policing is undiminished"

and the deputy chief constable in Essex who said:

"We are...working on a...new Blueprint for policing...taking the opportunity fundamentally to re-design all aspects of how we deliver our services."

We are clear that savings can be made without affecting front-line policing. We are doing our bit as a Government in reducing the heavy load of bureaucracy introduced by the right hon. Gentleman's Government, which will result in police being out on the streets.

Immigration System

2. **Mr Mark Spencer** (Sherwood) (Con): What recent progress she has made on reform of the immigration system. [20299]

10. **Mr David Evennett** (Bexleyheath and Crayford) (Con): What recent progress she has made on reform of the immigration system. [20307]

12. **Bob Blackman** (Harrow East) (Con): What recent progress she has made on reform of the immigration system. [20309]

17. **Dr Phillip Lee** (Bracknell) (Con): What recent progress she has made on reform of the immigration system. [20315]

The Minister for Immigration (Damian Green): In just six months, the coalition Government have made significant progress in the reform of the immigration system. We have introduced an interim limit on non-EU economic migrants and consulted on proposals for the annual limit. We are also reviewing student and family routes. We have made significant progress towards ending the detention of children and we have also begun exploring improvements to the asylum system.

Mr Spencer: The Minister will be aware that companies such as Rolls-Royce, in my constituency, require highly skilled staff from outside the EU. What can be done to ensure that those companies have access to those highly skilled staff while also ensuring that the immigrants coming in have the right skills?

Damian Green: My hon. Friend makes an extremely good point, because this is what we are seeking to achieve under our annual limit: we want to ensure not only that the skills that may not be available at the moment in this country are made available, but that jobs are also available for British workers. I commend to him the research published by the Home Office last week showing that 29% of those who came in under the tier 1 route—the route meant for the most highly skilled: the people who are so highly skilled that they do not even need a job offer—were employed in low-skilled roles. That tells me that the points-based system has not been working as well as it should have been.

Mr Evennett: I welcome my hon. Friend's actions to date on this matter, but in order to bring net migration down to a sustainable level a robust limit on non-EU economic migration is vital. Will he update us on what progress he has made on dealing with other routes into the UK, for example, bogus colleges and illegal transportation?

Damian Green: I agree with my hon. Friend that it is not just the economic routes we are looking at—as I have said, we are examining other routes. We are, of course, committed to attracting the brightest and best students to the UK, and we welcome legitimate students coming here to study legitimate courses, but there has been and still is significant abuse of the student route. Part of our summer crackdown on illegal immigration has been aimed at bogus colleges. We have suspended the licences of another five bogus colleges in the past three months, and I am happy to assure him and the House that we will continue to crack down as hard as possible on those using the student route to promote illegal immigration.

Bob Blackman: My hon. Friend has referred to the previous Government's policy of relying on a points-based system for controlling immigration. Can he elucidate on the figures he cited on the success of tier 1 migrants—by definition, the brightest and best—in obtaining highly skilled jobs?

Damian Green: The detail of the tier 1 research is fascinating because, as I say, it showed that nearly a third of the people who came in under that route were doing essential but low-skilled jobs—they were shop assistants, they were working in fast food outlets, and so on. Those are all jobs that need to be done, but upwards of 2 million people are unemployed in this country and they will find it very strange that those jobs, in particular, are being done by people who have come to this country under a route that is supposed to be specifically designed for the most highly skilled. That situation seems to be unfair to many of our British workers.

Dr Lee: What are the Government doing to tackle the problem of sham marriages in the immigration system?

Mr Kevan Jones (North Durham) (Lab): That was a killer question.

Damian Green: Some Labour Members seem not to think this an important issue, but it is an extremely important issue. Part of our summer crackdown has been precisely aimed at sham marriages, and that campaign has produced more than 800 arrests. Perhaps most vividly, and extremely regrettably, a Church of England vicar has been convicted of facilitating sham marriages. We are working very hard with the Church authorities to make sure that nothing like this happens in future and that we help vicars, those in register offices and all such people to make sure that they are not accidentally involved in any more of this type of criminality.

Keith Vaz (Leicester East) (Lab): One area that might well need reform is the humane removal of failed asylum seekers, following the death only 20 days ago of Jimmy Mubenga. Will the Minister confirm newspaper reports that the contract for escort services provided by G4S has now been terminated? What immediate steps, pending the outcome of the police investigation and the other investigations, is he taking to ensure that that kind of tragic event never happens again?

Damian Green: The right hon. Gentleman will know, of course, that while a police investigation is going on it would be completely improper of me to give any details about that investigation. I can confirm that the contract for the removals has been given to Reliance, but I should say at this point—to clear up any possible misunderstanding—that the tendering for the new contract took place under the previous Government, last September, and the decision was taken in August. The change in the contract away from G4S has nothing to do with any recent events.

Fiona Mactaggart (Slough) (Lab): One of the changes that the hon. Gentleman has made to the immigration service system is to bring forward pre-entry English language testing for spouses overseas. What assessment has he made of the availability and quality of English language teaching in places such as Pakistan and India, where many of these spouses come from?

Damian Green: The hon. Lady mentions two particularly entrepreneurial societies where, if there is a need for businesses, businesses will spring up. I remind her that the desire to introduce English language tests in that sphere was promoted by a Government of which she was a member. We have brought it forward to this November because, as I am sure she agrees, it is a significant way of ensuring that everybody who comes to this country can be fully integrated into the life of this country. That seems to me to be an extremely important goal for the long-term health of our society.

Pete Wishart (Perth and North Perthshire) (SNP): Does the Minister appreciate and understand that the different nations of the UK have different immigration requirements that require different solutions? Will he therefore start to explain how his immigration cap will help the nations of Scotland and Wales?

Damian Green: The immigration cap will help all parts of the United Kingdom by ensuring that we bring in the skills of those we need while not having the scale of immigration that we have had over the past 10 years, which has proved simply unsustainable. I am sure that the hon. Gentleman would agree that we could not carry on as we had done over the past decade. Over that decade, more than 2 million people net arrived in this country, putting pressure on public services. That is why we need an immigration limit, and it will be for the benefit of every one of the nations of the United Kingdom.

Shabana Mahmood (Birmingham, Ladywood) (Lab): On the subject of reforms to the immigration system and the particular point of deportation, the death of Jimmy Mubenga a few weeks ago was the first time that an escorted individual has died during deportation. My right hon. Friend the Member for Morley and Outwood (Ed Balls) has twice requested a briefing from the Home Secretary regarding the circumstances of that case, and both requests have been refused. Will the Minister now make a statement to the House, updating Members on the progress of any internal investigation into Mr Mubenga's death and the use of restraint during enforced deportation more generally? In particular, will he state whether the use of restraint on children during deportation is also being reviewed?

Mr Speaker: Order. In less than a minute, if the Minister is going to do it now.

Damian Green: I welcome the hon. Lady to the Front Bench and congratulate her on her very rapid promotion. May I repeat what I said to the right hon. Member for Leicester East (Keith Vaz)? There is a police investigation going on at the moment. It would clearly be inappropriate for me or my right hon. Friend the Home Secretary to give any details about this case while the police investigation is going on. I am surprised that the shadow Home Secretary asked the hon. Lady to do that while a police investigation was going on.

National Crime Agency

3. **Esther McVey** (Wirral West) (Con): What assessment she has made of the likely effect on the administrative burden on police forces of the establishment of the proposed national crime agency. [20300]

14. **Mr David Ruffley** (Bury St Edmunds) (Con): What assessment she has made of the likely effect on the administrative burden on police forces of the establishment of the proposed national crime agency. [20312]

The Secretary of State for the Home Department (Mrs Theresa May): We believe there is a real need to bring a greater focus to the issue of organised crime and other national aspects of policing. The national crime agency will strengthen the operational response to organised crime and better secure our borders. The NCA will contribute to our aim of rationalising the national policing landscape, thereby driving out waste and increasing productivity.

Esther McVey: Will my right hon. Friend assure the House that the new joined-up approach of the national crime agency, which will also incorporate functions from the National Policing Improvement Agency, will not only provide efficiency savings but will give equal attention to the individual regions, mine being the north-west?

Mrs May: I thank my hon. Friend for her question. I assure her that in setting up the national crime agency we are considering efficiency, and efficiency savings. We will be changing the national policing landscape and it is important to put greater emphasis on serious organised crime. Organised crime is calculated to cost this country and society £20 billion to £40 billion a year and it is right that we should do something to enhance our fight against it.

Mr Ruffley: Police forces have to comply with 162 separate protective services standards involving answering 1,099 separate questions. The fact that there is too much process and paperwork prevents the police from catching criminals, so will my right hon. Friend publish an annual statement to the House telling us what she has cut and how much police time she has saved?

Mrs May: I am grateful to my hon. Friend for that proposal. I suspect that is exactly the sort of thing that the Policing Minister will be happy to keep the House informed about. As I said earlier, a very good example of the impact of that bureaucracy is the fact that it is reckoned that what we are doing to stop the stop-and-account records and to change the stop-and-search records will save up to 800,000 man hours a year.

Ann Coffey (Stockport) (Lab): The Missing Persons Bureau is the only UK agency focused exclusively on missing people and is the UK's national and international point of contact for all missing person and unidentified

body cases. What assurances can the Secretary of State give me that the valuable work it does will be recognised when the proposed national crime agency is set up?

Mrs May: The hon. Lady asks a very important question: the work of the bureau is of considerable significance. Work relating to young people has already moved to the Child Exploitation and Online Protection Centre and we are considering where it is most appropriate that the bureau's work relating to adults should sit in the new policing landscape.

Diana Johnson (Kingston upon Hull North) (Lab): Given the concerns that have been expressed by Sara Payne and the National Society for the Prevention of Cruelty to Children as well as the evidence given by Jim Gamble to the Select Committee on Home Affairs on 12 October, will the Secretary of State tell the House what evidence base informed the decision to submerge the Child Exploitation and Online Protection Centre within the proposed national crime agency, especially given that previous independent reviews had supported CEOP remaining separate?

Mrs May: I welcome the hon. Lady to her position on the Opposition Front Bench. We have considered closely the CEOP issue, but there seems to be a misconception out there that it currently has independent status. It does not: it is part of the Serious Organised Crime Agency. The proposals that we put in the White Paper, which will be coming forward in the Bill with our final decisions, relate to its becoming part of the national crime agency and being able to benefit from the synergies of being part of that agency.

Police Numbers

4. **Mr David Hanson** (Delyn) (Lab): What estimate she has made of the likely effect of the outcome of the comprehensive spending review on the number of police officers in England and Wales in the period to 2014. [20301]

9. **Chris Evans** (Islwyn) (Lab/Co-op): How many police officers she expects there to be at the end of the current spending review period. [20306]

The Minister for Policing and Criminal Justice (Nick Herbert): The number of police officers is not set by central Government, but we believe that forces can make savings to ensure that visible and available policing is secured for the public.

Mr Hanson: The Minister will be aware, because it has been mentioned already, that the poorest areas of England and Wales will bear disproportionately the brunt of any reductions in central Government funding, because the Home Office provides the bulk of resources to those areas in particular. That will mean fewer officers on the street and inexorable rises in crime. Is that fair?

Nick Herbert: I do not accept any of what the right hon. Gentleman has said. We believe that police forces can make significant savings in line with the report of Her Majesty's inspectorate of constabulary, which said that they could save more than £1 billion a year without impacting on the front line. The settlement that we have announced will enable them to protect the visible and available policing that is so important to the public.

Chris Evans: Fears over the cut in the number of police mean that there are real concerns that small forces such as Gwent police could disappear in forced mergers. Given the serious impact that that would have on the quality of front-line policing in Islwyn, can the Minister give an assurance that it will not happen?

Nick Herbert: I remind the hon. Gentleman that the previous Government proposed compulsory forced mergers. We do not intend to go down that route. Where forces wish to merge, if there is a sound business case and the merger has the consent of local people, we will not stand in the way. We believe that forces can make significant savings by sharing services and collaborating, without having to merge.

Tom Brake (Carshalton and Wallington) (LD): How can the cost of elected police commissioners be minimised so that it reduces the impact on police officer numbers?

Nick Herbert: We do not wish elected police commissioners to cost any more than police authorities currently do. The exception is that there will be the cost of the elections, which will be once every four years. That will be met by separate funding. It will not come out of the police budget.

Mr Philip Hollobone (Kettering) (Con): Given that 10% of criminals cause 50% of the crime, does my right hon. Friend agree that one of the best ways to maximise the effective use of police time would be to ensure that our colleagues in the Ministry of Justice ensure that persistent and prolific offenders, when apprehended, serve their time in jail in full?

Nick Herbert: I was talking about that this morning to senior police officers responsible for criminal justice policy. Our concern is to ensure that rising rates of reoffending are reversed. That means ensuring that sentences are effective, and that we focus on the rehabilitation that is necessary to ensure that prisons fulfil their purpose and criminals go straight.

Vernon Coaker (Gedling) (Lab): It is interesting that the Home Secretary chose not to answer the question on the spending review and the impact on police numbers, but we have heard from both the Home Secretary and the policing Minister that thousands of police jobs are to be lost. The idea that that will not impact on front-line policing is one for the fairies. Can the Minister explain why the 20% cut announced in direct Government funding for police forces is front-loaded? In other words, of that 20%, why are the deepest, most far-reaching cuts in the first two years—next year 6%, in 2012-13 8%, then 4% and 4%? Why is the deepest, most far-reaching cut, 8%, in the year when the country is facing one of it greatest security challenges, the Olympics?

Nick Herbert: I welcome the hon. Gentleman to his position.

Olympic security funding is being prioritised in Home Office budgets, and counter-terrorist policing was subject to a much lower cut than the 20% cut for policing. We

intend to ensure that priority continues to be given to counter-terrorist policing. We believe that significant savings can be made. Her Majesty's inspectorate of constabulary found that only 11% of force strength, on average, was visible and available at any one time, because officers are spending too much time tied up in the red tape that the hon. Gentleman created when he was a Minister.

Anne Marie Morris (Newton Abbot) (Con): What steps has my right hon. Friend taken to ensure that when the cuts come, they will impact on the back office rather than the front office? I have a particular concern in a rural constituency where front office is fairly thinly spread.

Nick Herbert: Chief constables agree with us that the front line should be the last thing that is cut, and under the spending settlement that we have announced, there is no need for the front line to be cut. They can make savings through better collaboration and efficiencies. That is what the inspectorate says. They can also make savings in relation to procurement, amounting to hundreds of millions of pounds. As a consequence, we think that the visible and available policing that the public value can be retained.

Community Support Officers

5. **Sir Peter Soulsby** (Leicester South) (Lab): What estimate she has made of the likely effect on the number of police community support officers in post of implementation of the outcomes of the comprehensive spending review; and if she will make a statement. [20302]

13. **Mr Kevan Jones** (North Durham) (Lab): What estimate she has made of the likely effect on the number of police community support officers in post of implementation of the outcomes of the comprehensive spending review; and if she will make a statement. [20310]

The Minister for Policing and Criminal Justice (Nick Herbert): PCSOs are an important part of the policing family, providing a visible, uniformed presence on our streets. It is for police forces and authorities to determine how they deploy their personnel, but we are clear that forces should be focusing on finding efficiencies in back-office and support functions to protect front-line policing.

Sir Peter Soulsby: In recent years community support officers have become a vital part of the policing team, particularly in the delivery of crime prevention and genuine community policing. There can be nothing more front-line than that. It is inconceivable that the Department has not made an estimate of the number of these posts that will be lost. The House deserves to know what that number is, and the public deserve to know how this vital service will be cut.

Nick Herbert: We do not set the number of PCSOs; that is a decision for chief constables. When I speak to chief constables throughout the country, I, like the hon. Gentleman, find that they value police community support officers, and there is an overwhelming desire on the part of chief constables to protect PCSO numbers, in so far as is possible, as an important part of the delivery of neighbourhood policing. I share that view with the hon. Gentleman.

Mr Jones: On Friday last week, Durham MPs met the deputy chief constable of Durham, who said that the constabulary was just about to announce 190 compulsory redundancies. When asked whether that would include community support officers, he said it could not give a guarantee, because the decision was dependent on whether its central Government grant was going to be protected. Can the Minister guarantee Durham that its money from central Government for PCSOs will be protected?

Nick Herbert: We will announce the specific allocations for forces and the future of particular grants later on this year, but on 20 October the chief constable of Durham said:

"It will be business as usual as far as local communities – and local criminals – are concerned... our commitment to neighbourhood policing is undiminished."

Mrs Helen Grant (Maidstone and The Weald) (Con): Does the Minister agree that good policing is about tangible results, and not fixated on cuts?

Nick Herbert: The previous Government would not give any guarantee on police officer numbers. Indeed, in many forces police officer numbers were already falling when this Government came to power. The test is about what those police officers are doing, and whether they are visible and available to the public. We will accept no lectures from the Opposition, who have put this country in the position of having to cut police officer funding. *[Interruption.]*

Mr Speaker: Order. I am not quite sure what Members had for either breakfast or lunch, but I think I had better steer clear of both.

Licensing Act 2003

6. **Mr Robert Buckland** (South Swindon) (Con): When she plans to publish her proposals to amend the Licensing Act 2003. [20303]

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): The proposals for amendments to the 2003 Act will be included in the police reform and social responsibility Bill, which will be introduced later in the year.

Mr Buckland: Local residents and businesses in my constituency feel effectively gagged and excluded from the current licensing application process. What plans do the Government have to improve the fairness of the system?

James Brokenshire: I am very grateful to my hon. Friend for making that point, because the consultation that the Government embarked on in relation to reforms to the Licensing Act was precisely on that issue – about rebalancing the Act in favour of local communities. He makes his point very well, and we will bring forward proposals in due course.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Those of us who argued against the 2003 Act did so on the basis that 24-hour drinking would not introduce a café society to the UK where youngsters sipped wine into the early hours discussing Baudelaire, and the only thing that the Act has done is to move yobbishness, drunkenness and violence from late nights to early mornings.

James Brokenshire: The hon. Gentleman makes a very important point, and it will be interesting to hear whether the former licensing Minister, the hon. Member for Bradford South (Mr Sutcliffe), who is now on the shadow Front Bench, will be able to explain why that café culture, which was supposed to be created as a result of the previous Government's reforms, has perhaps not arisen. In reality, we have seen an increase of about 65% in the number of hospital admissions linked to alcohol over the five years to 2008-09, and that is why we think that reforms are required.

Dr Julian Huppert (Cambridge) (LD): In the Minister's work on the Licensing Act, will he ensure that he looks carefully at the licensing of one-off and annual events, such as Strawberry Fair in my constituency, so that delays in determination, because of late interventions, for example, do not mean that the events have to be cancelled regardless of what is decided?

James Brokenshire: I am not familiar with the detail of the individual event to which the hon. Gentleman refers, but we are looking at temporary event notices and how community events are licensed, and if issues continue to prevail in relation to that situation no doubt he will write to me.

Police Numbers

7. **Mr David Crausby** (Bolton North East) (Lab): How many police officers there were in England and Wales in March (a) 2010 and (b) 1997. [20304]

The Minister for Policing and Criminal Justice (Nick Herbert): On 31 March 2010 there were 142,132 police officers, compared with 125,825 on 31 March 1997.

Mr Crausby: I thank the Minister for that reply. Does he believe that the previous Labour Government spent too much on police officers and too little on the European Union budget?

Nick Herbert: I will not be drawn on the European budget, but I can tell the hon. Gentleman what the previous Government spent too much on—red tape that tied up police officers and wasted police time. When we had a position whereby police officers were spending more time on paperwork than on patrol, we knew that something had gone wrong: it was costly and it reduced police availability.

Miss Anne McIntosh (Thirsk and Malton) (Con): Can the Minister tell us how we got to the sorry state in which warranted police officers are inside the building doing the police work and non-warranted officers—community support officers—are on the streets without the power of arrest?

Nick Herbert: We believe that police community support officers do an important job out in communities, and the fact that they do not have the power to arrest prevents them from being abstracted and builds confidence in neighbourhoods. However, we are determined to release police officers from the red tape that can keep them in police stations—for instance, by fully scrapping the stop form and reducing the burden of stop-and-search reporting, which will save 450,000 and 350,000 hours of police time respectively.

David Wright (Telford) (Lab): West Mercia police authority tells me that it wants to protect record police numbers in Telford, and that one of the ways of reducing the administrative burden is to scrap the crazy, politicised idea of having elected police commissioners. Will the Minister save the money that he is going to spend, even if the budget is ring-fenced, and reallocate it to police forces for front-line policing?

Nick Herbert: May I remind the hon. Gentleman that the policy of increasing the direct accountability of police authorities was proposed twice by the previous Government, who backed down from that proposal in the face of opposition? We are determined to see it through, because we want to exchange bureaucratic accountability for democratic accountability and help to get police officers where they are needed—on the streets.

Immigration Rules (UK Science Base)

8. **Jo Swinson** (East Dunbartonshire) (LD): What representations she has received from scientific organisations on the likely effects on the UK's science base of proposed changes to the immigration rules. [20305]

The Secretary of State for the Home Department (Mrs Theresa May): Our recent consultation on the immigration system fully involved scientific organisations, which have underlined the importance of being able to recruit the best scientists from around the world. I am aware of the case of the Beatson institute in my hon. Friend's constituency, and I can assure her that the UK Border Agency is looking closely at this and related cases.

Jo Swinson: I thank the Home Secretary for that reply. She refers to the Beatson institute, which is a world-class cancer research facility that needs to attract the very best scientists in their field, regardless of their nationality. Previously it required about five tier 2 visas every year; that has been cut to just one under the new regime, so I welcome the fact that the issue will be looked at. Does she recognise the damage that could be caused to the Beatson, and to other scientific institutions, as a result of the unintended consequences of the immigration cap, and will she look again at whether an exemption could be made for science and research?

Mrs May: I am grateful to my hon. Friend for recognising that the UK Border Agency will look at the very real case that has been presented by the Beatson institute in relation to its particular requirements. We have a commitment, as a coalition Government, to reduce net migration into this country. I believe that it is important

that we do that, but do it a way that will ensure that we can truly attract the brightest and the best into this country to do the valuable work that they do in places such as the Beatson institute.

Andrew Miller (Ellesmere Port and Neston) (Lab): I presume that there must have been some joined-up thinking in the Government on this matter. Will the Home Secretary therefore publish the cross-departmental analysis that brings together the impact on our science base and competitiveness of Lord Browne's report, the comprehensive spending review, cuts in departmental science, and the immigration cap?

Mrs May: As the hon. Gentleman has an interest in these matters, he will be aware that the Department for Business, Innovation and Skills has made efforts to protect the spending in relation to research on science. In looking at how we introduce our immigration cap, we will be making efforts to ensure that institutes and universities that require access to truly the brightest and the best are able to have it.

Immigration

11. **Stephen Mosley** (City of Chester) (Con): How many immigrants entered the UK in the most recent period for which figures are available. [20308]

The Minister for Immigration (Damian Green): A total of 528,000 long-term migrants entered the UK in 2009, according to the most recent figures from the international passenger survey. Of these, 437,000 were non-UK nationals. IPS figures do not include asylum seekers, those who have arrived from Northern Ireland, and those who change their original intentions and therefore alter their length of stay. Final detailed figures for 2009 will be published on 25 November.

Stephen Mosley: I understand that my hon. Friend has recently been to Heathrow to see our front-line border controls in action. Will he give the House his assessment of the quality of our current systems to detect illegal entry into the UK at the first port of call?

Damian Green: We do have a comprehensive border protection framework, provided not just by the UK Border Agency but by the police and other agencies. The whole House will recognise that there will be an increase in passenger journeys and freight volume, and in the use of ever more sophisticated technologies by those who have malicious intent of either illegal immigration or, even worse, terrorism. That is one reason why we are setting up a new border police command within the new national crime agency, which will enhance our existing capacity to protect our borders.

Mr Phil Woolas (Oldham East and Saddleworth) (Lab): I thank the Minister for that straightforward answer. On 27 February, he told the House in relation to border control that we would become increasingly dependent on technology. In table A.6 in the spending review document, we see that there is to be a 49% reduction in capital investment in the Home Office's budget. Is he confident that he has the resources to provide the kit needed to protect our borders at airports and ports from illegal immigration and, given the events of the past few days, from potentially dangerous weapons and other attacks?

Damian Green: I congratulate the hon. Gentleman on being appointed to my old job by the Leader of the Opposition. I did it for four and a half years and I can say with complete sincerity that I hope he does it for even longer.

Yes is the answer to the very serious question that the hon. Gentleman asks. He has been intimately involved in this subject for some years, so he will be pleased to know that the e-Borders system will continue, I hope in an improved way, under our new arrangements, and that other areas of capital spending such as the integrated casework project will also continue so that we use technology and the experience of our border officers to keep our borders safe.

Newport Passport Office

15. **Jessica Morden** (Newport East) (Lab): What consultation her Department has undertaken on the future of the Newport Passport Office. [20313]

The Minister for Immigration (Damian Green): On 19 October, the Identity and Passport Service began a formal 90-day consultation period with the trade unions on the future of the passport application processing centre at Newport. In addition, as the hon. Lady knows, I have had meetings with her and the hon. Member for Newport West (Paul Flynn), the leader of Newport city council and the Secretary of State for Wales.

Jessica Morden: Will the Minister reassure me that the consultation on the future of Newport passport office is truly a consultation, in that he is genuinely listening to the concerns of people in Wales, including the 17,000 who have now signed the *South Wales Argus* petition on the future of the office and its staff?

Damian Green: I am happy to give the hon. Lady that assurance. She has quite rightly made her position perfectly clear in defending her constituents' jobs, and I would expect no less of her. I hope that she can help me correct the misunderstanding that has been put about that Wales is losing its passport office. It simply is not. The passport office delivering passports to people in Wales will remain in Newport.

Paul Flynn (Newport West) (Lab): Was the Minister impressed yesterday when the Conservative Assembly Member Darren Millar said on television that the Welsh Conservatives in the National Assembly were united in their opposition to the closure of the Newport passport office and the Government's proposal? Will he provide an assurance that he will re-examine the matter, to ensure that cuts are made evenly across the United Kingdom and not concentrated in Newport?

Damian Green: As I just said to the hon. Member for Newport East (Jessica Morden), anticipating the hon. Gentleman's question, the passport office in Newport is not being closed. It is a simple untruth to say that it is. The passport office will remain open. Some 47,000 people a year use it, and they are very important to the economy of Newport. I have been told that in no uncertain terms

by the Secretary of State for Wales. I am pleased that we are able to keep that passport office open, not just for those who will continue to work there but for the economy of Newport city centre.

Deportation Services (Private Companies)

16. **Greg Mulholland** (Leeds North West) (LD): What recent representations she has received on the regulation of private companies contracted to provide deportation services; and if she will make a statement. [20314]

The Minister for Immigration (Damian Green): All detention and escorting services provided by private sector companies are subject to internal and external oversight. Contracted staff are vetted carefully by the Home Office as part of their accreditation to work as detention custody officers or escorts, and services are monitored by UK Border Agency officials and the independent monitoring board and through announced and unannounced inspections by Her Majesty's inspectorate of prisons.

Greg Mulholland: I thank my hon. Friend for that answer. Of course, it is part of a functioning immigration system sometimes to remove foreign nationals who no longer have a right to stay. Nevertheless, that has to be done in a regularised and humane way. What plans does my hon. Friend have to limit and regulate the use of force as part of the accountability that he rightly talks about?

Damian Green: As I have explained in answer to previous questions, there is already significant regulation. Indeed, as I have just said, there is quite rightly a large number of checks, and the people who escort those who have no right to be in this country and who therefore have to be removed do need to be checked. Baroness O'Loan published a report on the issue in March 2010 and she found no evidence of systemic abuse by UK Border Agency escorts removing individuals from the UK. I am glad that that was true then and I am determined to make sure it continues to be true in the future.

Immigration

18. **Bob Stewart** (Beckenham) (Con): How many immigrants entered the UK in the most recent period for which figures are available. [20316]

The Minister for Immigration (Damian Green): I refer my hon. Friend to the answer I gave some moments ago.

Bob Stewart: One of the main problems facing the immigration system has been the abuse of student visas. What plans have the Government to tackle that?

Damian Green: My hon. Friend points up one of the many problems with the immigration system. I point him particularly to student visas issued at below-degree level. We often think of student visas as being about the brightest and the best from around the world coming to our universities. Everyone in the House will welcome that, and they will want it to continue and our university sector to flourish. The problems have often come at sub-degree level with bogus students who do not have the appropriate qualifications, or with bogus colleges. Both of those routes need to be stamped out, which is why, along with proposing a limit on work routes, we are working hard to bring forward proposals on the student route, precisely to stamp out the abuse that my hon. Friend is rightly worried about.

Topical Questions

T1. [20372] **Jane Ellison** (Battersea) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Mrs Theresa May): The Home Office continues to prioritise the counter-terrorism elements of policing. The national security strategy and the strategic defence and security review published two weeks ago will deliver a step change in Britain's ability to protect its security and advance its interests in the world. To meet the real and growing threat identified from cyber-attack, £650 million of new funding has been allocated to a cross-Government programme to enhance Britain's cyber-security. While I speak about the Department's responsibilities, I should perhaps explain for the avoidance of doubt that the Under-Secretary of State for the Home Department, my hon. Friend the Member for Hornsey and Wood Green (Lynne Featherstone), who has responsibility for equalities and criminal information, has not been able to answer a question today because she has lost her voice.

Jane Ellison: Another real and growing threat for many of us, especially those with urban constituencies, is the use and abuse of dogs as weapons. That is a real problem, which is often associated with gang activity. It is clearly an animal welfare issue, and Battersea dogs and cats home in my constituency has long been a voice on policy on the issue. However, it is also a crime and policing challenge. Will my right hon. Friend update the House on how Home Office Ministers are working with colleagues in the Department for Environment, Food and Rural Affairs following that Department's recent consultation on dangerous dogs?

Mrs May: I thank my hon. Friend for raising an important issue. It is particularly important for her constituency, for obvious reasons, as she said. The Home Office is reviewing the issue of antisocial behaviour and the tools and powers that need to be made available to deal with it. It is also dealing with Departments across Whitehall, including DEFRA. DEFRA will respond to the previous Government's consultation on dangerous dogs, looking at issues such as dog licensing and wider issues such as breed-specific bans, once the Home Office has published our proposals on antisocial behaviour.

Several hon. Members *rose*—

Mr Speaker: Order. I hope that the Under-Secretary recovers her voice before very long. We wish her better.

T4. [20375] **Mr David Hanson** (Delyn) (Lab): Does the Home Secretary agree with the views of the Secretary of State for Energy and Climate Change on control orders? Having now had five months in office, does she accept that those of us who exercised such powers on behalf of the Home Office when we were in government did so because we tried to secure the safety of the British people, and we were, indeed, right to do so?

Mrs May: The prime responsibility of any Government is to keep people safe, and we are very conscious of that. The counter-terrorism legislation review is continuing. No final decisions have been taken on any aspects of that review, but, of course, I have undertaken to inform the House when the review is complete and when the answers to the questions that have been posed are available.

T2. [20373] **Mr Matthew Offord** (Hendon) (Con): Following comments by my local police commander, my constituents in the Barnet neighbourhood watch, ably led by Maureen West, have expressed concerns to me about the ring-fencing rule for safer neighbourhoods teams and the impact of possible further cuts as a result of the Government tackling the economic deficit. What assurance can the Minister give me that the reduction in the police family will not lead to a reduction in the police presence on the streets of my constituency?

The Minister for Policing and Criminal Justice (Nick Herbert): I can assure my hon. Friend that there is no need for a reduction in neighbourhood policing. Many police forces up and down the country are making a commitment to maintain neighbourhood policing by finding savings in the back office and collaborating, and through better procurement and saving money.

T5. [20376] **Andrew Gwynne** (Denton and Reddish) (Lab): We all want to see our police officers out on the beat more, but how will cutting police staff who often free up police officers from administrative tasks help with that?

Mrs May: One of the crucial things that we are doing, as we indicated earlier, is cutting the administrative tasks that need to be done by cutting the extreme levels of bureaucracy that were introduced to policing by the Labour Government.

T3. [20374] **Julian Smith** (Skipton and Ripon) (Con): Can my right hon. Friend reassure us that the new immigration cap will reflect the need for businesses to recruit international, highly skilled migrants and to transfer international employees internally? Will she make that process as easy and unbureaucratic as possible?

Mrs May: I thank my hon. Friend for raising the important issue of the impact of immigration on businesses. As we consider how to introduce the immigration cap, we will take on board comments made by business and its requirements in relation to the operation of the system. However, one thing that we have found recently is that nearly one third of those who arrived via the tier 1 route—the brightest and the best highly skilled migrants—did not take on highly skilled jobs. That is something to which we should pay attention.

T8. [20379] **Phil Wilson** (Sedgefield) (Lab): The Independent Safeguarding Authority in my constituency employs about 250 people. Can the Home Secretary let me know what their future is? What is the future of the authority under this Government?

Mrs May: The Government have a commitment to ensure that we bring the vetting and barring scheme down to common-sense levels. Many people are concerned that the scheme introduced by the previous Labour Government actually reduced people's willingness to volunteer and to do good in their communities. We are currently reviewing vetting and barring. The impact on the ISA will come out of that review.

T6. [20377] **Charlie Elphicke** (Dover) (Con): May I ask about border security? Illegal entry at Dover has fallen 18% in the last year. We will no doubt hear more about the excellent work of those who keep our country safe and secure in the statement on aviation security later, but will the Minister congratulate those who keep our country safe?

The Minister for Immigration (Damian Green): I am happy to echo my hon. Friend's congratulations to his constituents at Dover, and indeed to immigration officers at ports, airports and inland ports all around the country. They work tirelessly—day and night—to keep our borders as safe as possible. Like him, I welcome the significant reduction in the amount of illegal immigration through Dover over the past few months.

Mr David Winnick (Walsall North) (Lab): We all look forward to the review anti-terrorism legislation, but is it not important that murderous fanatics—another indication of what they are like was given last week—and the enemies of all humanity do not force us to give up long-held, traditional liberties in this country? The sort of changes that the Home Secretary mentioned earlier will hopefully come about despite the current terrorist danger.

Mrs May: The coalition Government are very aware of the need to rebalance our national security requirements and our civil liberties. That is precisely why we have undertaken the review of counter-terrorism legislation. As I indicated in a previous answer, the results of that review will be brought to the House when they are available, but I can assure the hon. Gentleman that we are aware that we need to ensure that we keep the country safe so that people can exercise those ancient freedoms and civil liberties.

T7. [20378] **Laura Sandys** (South Thanet) (Con): Will the Home Secretary join me in welcoming the shadow Home Secretary's conversion to our policy of putting antisocial behaviour orders behind us? The shadow Home Secretary said:

"I want to live in the kind of society that puts Asbos behind us."

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): I hope that the shadow Home Secretary will remember his original comments, and will therefore accept that the current tools and powers for dealing with antisocial behaviour are overly bureaucratic and do not work effectively. That is why we are currently reviewing them to ensure that all local agencies have a toolkit that provides a strong deterrent, and is quick, practical and easy to use.

Jack Dromey (Birmingham, Erdington) (Lab): The Home Secretary was reluctant yesterday to confirm the consequences of Government cuts for the police service.

Will she give a straight answer to that question today, and confirm that 2,000 jobs will go in the west midlands police service, including those of 400 police officers in Birmingham—40 for each of Birmingham's 10 constituencies—and does she share my constituents' fears that, as police numbers fall, crime will go up?

Mrs May: The fight against crime is not simply a matter of the number of police officers, but about how effectively they are deployed and what they are doing. What the Government are doing by releasing police officers from the bureaucracy imposed by the last Labour Government will make them freer and more available to be out there on the streets doing the job the public want them to do.

T9. [20380] **John Glen** (Salisbury) (Con): In 2004, my constituent Stephen Ings's son and ex-wife were murdered by an illegal immigrant, Alex George. Will the Minister meet me and my constituent to explain the decision to offer a deferred conditional discharge to Mr George while his appeal against deportation is heard?

Damian Green: I and my ministerial colleagues are aware of the correspondence between my hon. Friend and the UK Border Agency about this case. I understand perfectly—as the whole House will—how distressing and awful the case must be for his constituent, and of course I will happily meet him, and his constituent and his family to discuss the matter further.

Mrs Mary Glindon (North Tyneside) (Lab): Will the Home Secretary join me in wishing Northumbria police warm congratulations on the opening of the new area command at the north Tyneside headquarters, especially given that it was built with money from the Labour Government?

Mrs May: I rather hope I might at some stage be given an invitation to visit the new area command. May I say, however, given that Northumbria has been mentioned, that I was pleased to speak to Sue Sim recently, following the difficult time that Northumbria police had earlier this year in dealing with the case of Raoul Moat, to congratulate her on how she and her force dealt with that case?

Lorely Burt (Solihull) (LD): Many international companies contemplating investment in the UK are being put off by the fact that inter-company transfers are defined as coming under the immigration cap. Inter-company transfers mean more jobs for British workers, and they do not stay in the United Kingdom. Will Ministers look at the rules placing inter-company transfers under the immigration cap, otherwise we run the risk of saying, "Yes, we are open for business, but you cannot come in"?

Damian Green: I am happy to assure my hon. Friend and the companies in her constituency that, under the interim cap operating now, inter-company transfers are not covered—they are outside the cap—so there is no reason for any business to be worried about that now. Obviously, for the permanent cap that will come in from next April, we are considering the best way to enable businesses to operate successfully in the future.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): Will the Minister accept that there is deep unease within the IT industry about the possibility that the focus on numbers will reduce the flexibility of companies to bring people in and out of the country to meet the needs of what is an extremely flexible and internationally important industry?

Damian Green: I completely agree with the right hon. Gentleman. It is an important international industry. I hope, however, that he will recognise two countervailing pressures here. There is the pressure from international business, which wants to move people around, but there is also a lot of perfectly reasonable pressure from trained British IT workers, who have done everything that society has asked of them—got the right sort of degree, gone into the right sort of business—but are finding it increasingly difficult to find jobs. We should listen to their voices as well.

Mark Pawsey (Rugby) (Con): Many of my constituents are concerned that the inquiry desk at Rugby police station is being closed between the hours of 8 pm and midnight. Although I recognise the pressure on police budgets caused by Labour's economic mismanagement, does the Minister agree that this decision should be reconsidered?

Nick Herbert: What is important is how visible and available the police are. There are innovative things that they can do instead of necessarily keeping police stations open at times when very few people visit them, such as setting up shop in shared premises in supermarkets. My hon. Friend should talk to his chief constable about such ideas.

Huw Irranca-Davies (Ogmore) (Lab): May I genuinely and unbegrudgingly thank the Policing Minister for recently visiting my constituency and seeing the award-winning group of police community support officers and police officers at the Caerau station? Thank you very much indeed. However, will he pay a return visit if we find that that team, or any others in my constituency, is broken up because of the police cuts coming down the line?

Nick Herbert: I am happy to tell the hon. Gentleman that I will be returning to the force area this week, although not to his constituency. I spoke to his chief constable a few days ago, and he assured me that by making savings, there would be protection for the visible and available policing in the streets that the hon. Gentleman's constituents want to see.

Nigel Adams (Selby and Ainsty) (Con): Is the Minister aware that a pioneering partnership between North Yorkshire police and the local community in Sherburn in Elmet in my constituency has seen the public inquiry desk at the village police station reopen? The desk is manned completely by volunteers. Does he agree that this is a great example of the big society in action? Will he join me in congratulating the local volunteers and North Yorkshire police—

Mr Speaker: Order. We are all very grateful to the hon. Gentleman.

Nick Herbert: My hon. Friend might have noticed that he just got a nod of approval from the Prime Minister. Helping to keep police stations and front desks open is a very good use of volunteers. There may be very few visitors, but that visibility is important, and there are many other ways in which the police can maintain such a presence in their areas.

European Council

3.32 pm

The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I should like to make a statement.

Clearly the whole country has been focused this weekend on the terrorist threat, and the Home Secretary will make a full statement after this. However, I want to put on record my thanks, and the thanks of everyone in this House, to all those involved in the international police and intelligence operation, whose efforts clearly prevented the terrorists from killing and maiming many innocent people, whether here or elsewhere in the world. The fact that the device was being carried from Yemen to the United Arab Emirates, Germany and Britain, en route to America, shows the interest of the whole world in coming together to deal with this. While we are rightly engaged in Afghanistan to deny the terrorists there, the threat from the Arabian peninsula, and from Yemen in particular, has grown. So as well as the immediate steps, which the Home Secretary will outline, it is clear that we must take every possible step to work with our partners in the Arab world to cut out the terrorist cancer that lurks in the Arabian peninsula.

Let me turn to last week's European Council. The Council's main business was going to be economic governance in the light of the serious problems that the eurozone has faced. However, I was clear that we could not talk about the need for fiscal rigour in the EU's member states without also talking about the need for fiscal rigour in the EU budget, both next year and for the future, so we ensured that the EU budget was also on the agenda. Let me go through both issues. First, on the budget for 2011, from the outset in May, we wanted a freeze. We pressed for a freeze, and in July we voted for a freeze, seeking to block the 2.9% proposed by the presidency. Finland, Sweden, Denmark, the Netherlands, the Czech Republic and Austria all voted with us. Unfortunately, we were just short of the numbers needed for a blocking minority, so in August the Council agreed a 2.9% increase.

Then in October, the matter went to the European Parliament, which voted for around a 6% increase. That was the frankly outrageous proposal with which we were confronted at this European Council. Now, normally what happens in these situations is that you take the position of the EU Council and that of the EU Parliament, and there is a negotiation that ends up splitting the difference. Indeed, that is precisely what happened last year. So before the Council started, we began building an alliance to take a different approach and to insist on the 2.9%. I made phone calls to my counterparts in Sweden, France and Germany, among others, and then continued to press the case during the Council. Twelve other Heads of State took that approach, and we issued a joint letter that makes it clear that a 6% increase is

"especially unacceptable at a time when we are having to take difficult decisions at national level to control public expenditure".

Furthermore, the joint letter goes on to say that

"we are clear that we cannot accept any more than"

the 2.9% increase being proposed by the Council.

Let me explain what this means. Either the Council and the Parliament now have to agree to the 2.9%, or there will be deadlock, in which case the EU will have to live on a repeat of last year's budget settlement handed out in twelfths over the next 12 months, an outcome that we would be perfectly content with. Next, and more importantly, Britain secured a significant breakthrough on a fundamental principle for the longer term. As well as the individual budget negotiations for 2011, 2012 and 2013, there is also a big negotiation about to happen for the future funding of the EU over the period between 2014 and 2020. We clearly want to do all we can to make the negotiations go the right way, and what we agreed at the Council was, I think, a big step forward. The European Commission was wholly opposed to it, but the Council agreed that

"at the same time as fiscal discipline is reinforced in the European Union, it is essential that the European Union budget and the forthcoming multi-annual Financial Framework reflect the consolidation efforts being made by Member States to bring deficit and debt onto a more sustainable path."

So from now on, the EU budget must reflect what we are doing in our own countries, and it is quite apparent that almost every country in Europe, like us, is seeing very tough spending settlements.

This new principle applies to the 2012 and 2013 budgets, and to the crucial 2014 to 2020 EU spending framework. Just as countries have had to change their financial plans because of the crisis, so the EU must change its financial plans too. Mr Speaker, if you look at the published conclusions and language on the budget, they formed a prominent part even though it was not originally on the agenda. I think this is an important step forward.

In my discussions with Chancellor Merkel at the weekend, we agreed to take forward some joint work to bring some transparency to the EU budget—salaries, allowances, grants. This work has just not been done properly in the past, and it is about time that citizens of the EU knew what the EU spends its money on. That is the spotlight that needs to be shone, and that is what we propose to do.

On economic governance, there are basically two issues. First, there is Herman Van Rompuy's report from the taskforce on economic governance. This was set up after the sovereign debt crisis, and my right hon. Friend the Chancellor and the Treasury have been fully involved. Secondly, there is the additional proposal made by the Germans, and in principle agreed by the Council, for a limited treaty amendment focusing on putting the EU's temporary bail-out mechanism on to a permanent basis. Let me take each in turn. In Van Rompuy's report, there are some sensible proposals. For example, the eurozone clearly needs reinforced fiscal discipline to ensure its stability, and the crisis has shown that in a global economy early warning is clearly needed about imbalances between different countries.

Let me be clear on one point about which there has been some debate: the question of surveillance. All member states, including the UK, have participated in surveillance for more than a decade. This is not a new framework. The report is clear, and the current framework remains broadly valid, but needs to be applied in a better and more consistent way. The report proposes new sanctions, but we have ensured that no sanctions, either existing or new, will apply to the UK. The report could not be clearer. It says that

"strengthened enforcement measures need to be implemented for all EU Member States, except the UK as a consequence of Protocol 15 of the Treaty".

That is our opt-out. It kept us out of the single currency; it kept us out of sanctions under the Maastricht treaty; and we have ensured that it keeps us out of any sanctions in the future.

In addition to the issue of sanctions, a number of other concerns have been raised. Let me try to address each of them head on. First, will we have to present our budget to Europe before this House? No. Secondly, will we have to give Europe access to information for budgetary surveillance that is not similarly shared with organisations such as the International Monetary Fund or is publicly available on the internet? Again, the answer is no. Thirdly, will powers over our budget be transferred from Westminster to Brussels? Again, no.

I turn to the proposal mentioned in the Council's conclusions for limited treaty amendment. We have established that any possible future treaty change, should it occur, would not affect the UK, and I would not agree to it if it did. The proposal to put the temporary bail-out mechanism on a permanent footing is important for the eurozone, and eurozone stability is important for the UK. Nearly half our trade is with the eurozone, and London is Europe's international financial centre.

Let me be clear. Throughout this process, I have been focused on our national interest, and it is in our national interest that the eurozone should sort itself out. It is in our national interest that Europe should avoid being paralysed by another debt crisis, as it was with Greece in May, and it is absolutely in our national interest that Britain should not be drawn into having to help with any future bail-out. That is what we have secured.

Let me turn briefly to the other business of the Council. On the G20, the Council discussed its priorities for the upcoming summit in Seoul. Again, our interests are clear. As an open trading nation, we want progress on Doha. This has been going for nearly a decade, and 2011 should be the year when we try to achieve a deal. We believe that the world has suffered from economic imbalances, so we want countries with fiscal deficits to deal with them, and countries with trade surpluses to look at structural and currency reforms. We recognise the importance of strengthening global financial stability, and that is why we support the recent Basel agreement on stronger banking regulations. We also want global institutions to be reformed to reflect the growth of emerging powers, so we will see through the work that my right hon. Friend the Chancellor has led on the reform of IMF votes and board seats. Finally, on Cancun, we are committed to making progress towards a legally binding United Nations agreement.

I believe that this Council demonstrates that it is perfectly possible to deliver for our national interest while protecting our national sovereignty. Tomorrow, the British and French Governments will sign new defence and security co-operation treaties, which will be laid before Parliament in the usual way. This follows the same principle: partnership, yes; giving away sovereignty, no. At this Council, Britain helped Europe to take the first vital steps towards bringing its finances under control. We prevented a crazy 6% rise in the EU budget next year, we ensured that the budget would reflect domestic spending cuts in all future years, and we protected the UK taxpayer from having to bail out eurozone countries that get themselves into trouble. There is a long way to go, but we have made a strong start. I commend this statement to the House.

Edward Miliband (Doncaster North) (Lab): May I thank the Prime Minister for his statement? I also thank him for the briefing statement that he gave me on Saturday on the developments following the discovery of explosive materials, including those at East Midlands airport. I join him in thanking the security services, the police and others for the work that they do to protect innocent people here and abroad. I also want to assure him that he has the full support of the Opposition in his efforts to tackle terrorism and keep the nation safe.

On Europe, Labour Members think that it is in the national interest for Britain to be strongly engaged in Europe on issues from terrorism to climate change, and from the global economy to human trafficking. We all know that the Prime Minister is in a slightly tricky predicament on Europe. He has his old friends and his new friends on the Front Bench. I want to tell him very sincerely that we are here to help him. We know that he held some pretty strong views on Europe in the past, but we are willing to ignore his previous convictions, just as long as he is as well.

Let me start with the Council's conclusions on economic governance. We welcome any sensible proposals for greater co-operation to ensure economic stability across Europe. In principle, we also welcome the idea of putting in place clear arrangements for providing help to eurozone countries that get into trouble, rather than relying on an ad hoc approach. The Prime Minister is also right to say that eurozone countries should take financial responsibility when those circumstances arise. He was right to say in his statement that these new arrangements would not apply to Britain, but they might affect Britain. We have an interest in stability in the eurozone but also in supporting growth in what is our largest export market. Can he therefore assure the House that, as well as protecting Britain from those provisions, he will engage in discussions to ensure that the right balance is struck between the need for stability and the need for growth in the eurozone?

In the context of these reforms, I do not think the Prime Minister made it clear in his statement whether, if proposals are made for treaty change as a result of the amendments, he is prepared to accept the changes without a referendum. He used to imply that if treaty change were ever back on the table, he would have a referendum, but he seems to have abandoned that position. Will he confirm that that is the case?

The Prime Minister also used to imply that he would use the opportunity of treaty change to bring back the British opt-out on employment and social legislation. I think that is a pledge he made for this Parliament. Labour Members do not believe that this is a necessary or sensible course of action. He was silent on this issue during his statement. Can we therefore assume that his previous red lines on this issue were not raised by him at any time in these negotiations, and can he confirm that he does not intend to raise these red lines—or what were his red lines—in the coming months in the context of any possible treaty changes that might take place? Again, we will support him if he takes the right course.

Secondly, on the G20 summit in Seoul, which will discuss the prospects for the world economy, the Prime Minister will know that an increase in trade accounts for almost half of the growth forecast that the Office for Budget Responsibility predicts for the United Kingdom next year. Can I ask what discussions were had at the

[Edward Miliband]

European Council about the uncertainty in the world economy and how Europe plans to do its bit to ensure that economic demand is sustained?

Thirdly, on the Cancun conference on climate change, I have to say—I think the Prime Minister will agree—that the prospects do not look bright for completing the unfinished work of Copenhagen. May I urge him on to show greater leadership on this issue—*[Interruption.]* Leadership, which is not just about some huskies, but is real leadership on this issue. Can he say what he will be doing personally to advance a deal on finance, which is a crucial precondition of progress and a key objective of the Cancun summit?

Let me turn next to the EU budget. The Prime Minister has offered what we might call an interesting version of events. He confirmed that, in August, the 2.9% increase was put forward by the Council of Ministers and 20 countries voted for that—Britain was not one of them; it voted against that. The Prime Minister tells us in his statement today that "before the Council started, we began building an alliance to take a different approach"—different from the Parliament—"and insist on 2.9%". The question I ask the right hon. Gentleman is when he took that view. On 20 October, he told this House:

"We have called for a cash freeze in the size of the EU budget for 2011 and we are working hard to make this case across Europe." [*Official Report*, 20 October 2010; Vol. 516, c. 938.]

He was not saying that 2.9% had been agreed and that he had lowered his sights; he was telling us that he was still working for a freeze. Three days later he repeated this to the *Daily Mail*—a reliable source:

"We need to start working on trying to keep next year's budget down. It should be a freeze or a cut."

That was his position at that time. So I have a simple question: when did the Prime Minister change his position on this issue? He certainly did not tell the House; he certainly did not tell the *Daily Mail*—and one would have thought that he would have kept it informed. As far as we can gather, it was sleeves rolled up, full steam ahead and when it came to 2.9%, it was "fight them on the beaches". Now the Prime Minister has said that he changed his position.

Now, the Prime Minister has agreed to 2.9%. What does he say about something he originally voted against? One would have thought that he might be slightly sheepish about this—but not a bit of it! He actually says that he has "succeeded quite spectacularly". If that is his view of spectacular success, I would hate to see what happens when things go wrong in his negotiations in Brussels.

What about the letter that the Prime Minster brandished as having been signed by 13 member states, supporting 2.9%? I do not think that is a spectacular success. Twenty countries were supporting 2.9% in August, so this is seven fewer countries than were originally supporting that increase. The only big difference is that Britain, which used to be against the 2.9% increase, is now for it. Let me say to the Prime Minister, in words that my grandmother might have used, that I admire his chutzpah on this issue. Is not the truth about it that he wished he could come back and say, "No, no, no," but in his case, it is a bit more like, "No, maybe, oh, go on then, have your 2.9% after all"?

What is the deeper truth about the Prime Minister's position? I have to say that I am disappointed in him, because he has fallen back into his old ways. It is more ludicrous grandstanding on Europe, which ends up proving futile and fooling no one. The Prime Minister said that he would provide for a referendum on Lisbon if there was an opportunity; he has abandoned that position. He said that he would repatriate powers; he has abandoned that position. He said that he would obtain a freeze in the EU budget; he has abandoned that position.

The Prime Minister has obviously not learned the lesson, because he left the summit bragging again, saying that he was a Eurosceptic. When will he recognise that anti-European bluster and PR are no substitute for a decent, engaged European policy? He should be leading the way on climate change, signing the directive on human trafficking, and working with European Governments to sustain demand in the global economy. The Prime Minister may have abandoned some of his previous convictions, but his rehabilitation on Europe has a long way to go.

The Prime Minister: If mine was chutzpah, that was brass neck.

The right hon. Gentleman asked how I was getting on with my new friends and my old friends. Let me put it in a way that he may understand: we are just one big happy family. It is brotherly love on this side of the House; it really is. The problem is that we are living with the decision of the right hon. Gentleman's old friend, Tony Blair, who gave away £8 billion of rebate and received nothing in return.

The right hon. Gentleman asked whether we would ensure stability in the eurozone. Of course we want to do that, as I said in my statement. He said that this did not affect Britain in terms of the treaty change, and he was quite right about that. He asked whether this should lead to a referendum. The point is that we are not passing any powers from Britain to Brussels: this limited treaty change does not affect the United Kingdom. However, I cannot take a lecture on referendums from someone who could have provided a referendum on the Lisbon treaty, but failed to do so.

The right hon. Gentleman asked what we were getting in return. We are getting progress on the budget, which we never saw in a month of Sundays under a Labour Government. Let me say something about the issue of the budget, and the points that he made. Let us contrast the position now with what happened last year under a Labour Government. Last year under a Labour Government—*[Interruption.]* It is very instructive to look at what happened last year and what happened this year.

Last year the European Council voted for a 3.8% increase. The Labour Government supported it. The European Parliament proposed a 9.8% increase. The Council then agreed a 6% increase, and the Labour Government supported it. That is the difference between last year and this year. Last year we had a feeble Government who would not stand up for Britain; this time we have a Government who will.

Several hon. Members *rose*—

Mr Speaker: Order. A great many Members wish to catch my eye, and there is another important statement to follow, followed by business that I suspect will be of considerable interest to the House. Brevity from Back Benchers and Front Benchers alike is essential.

Sir Peter Tapsell (Louth and Horncastle) (Con): As it appears that the treaties of the European Union can be changed on the insistence of a German Chancellor, is it possible to give a British Prime Minister the same opportunities, thus enabling him to give his country the pledge of the referendum that was promised to them? Is that so, or not?

The Prime Minister: If there were any prospect of a passage of power from Britain to Brussels, we should have a referendum. That is not just my word: we are going to legislate to put it into place. But the question that we must answer here—this goes directly to what my right hon. Friend has said—is, "What is it in Britain's national interest to try to insist on at this time?" In my view it is the budget, and the amount of money that goes from Britain to Brussels, into which we should be putting our efforts. That is what I did, and that is what I am going to go on doing.

Mr Denis MacShane (Rotherham) (Lab): May I welcome the Prime Minister to the club of Euro-pragmatism? He has said nothing today with which I can greatly disagree. Will he answer two questions, however? First, will he confirm that if the final budget deal is above 2.9%, Britain will not seek to veto it? Secondly, will the proposed treaty change happen under the so-called passerelle clause of the Lisbon treaty?

The Prime Minister: I thank the right hon. Gentleman for his endorsement—wherever they come from, they are always welcome. The point about the budget approach is that 13 countries have put their signature to a letter saying they will not accept anything over 2.9%. They will, I believe, all stick to their word, and we will insist on this so that we either get 2.9%, agreed between Parliament and the Council, or we get deadlock, in which case the budget is frozen at last year's level.

The final decisions on the proposed treaty change will be taken at the December summit. That is likely to be under the simplified revision procedure so there is not a parliamentary convention. The key point here is to be absolutely clear that this is going to be a few lines that are about putting in place what is a temporary bail-out mechanism and making it a permanent bail-out mechanism. The key point for the House to hold on to is that this does not affect the UK, except inasmuch as we want the eurozone to sort itself out.

Mr Charles Kennedy (Ross, Skye and Lochaber) (LD): Given today's lunchtime praise of the Prime Minister by Miles Templeman of the Institute of Directors, and in particular his observation that the Prime Minister's greater European sensitivity, which the IOD welcomed, must be down to the presence of Liberal Democrats in his coalition Government, may I assure the Prime Minister, speaking as one long-standing pro-European now to another, that as long as he maintains such constructive engagement he will deserve, and I am sure will receive, solid support?

The Prime Minister: Said without a hint of mischief. I believe the national interest right now is all about—*[Interruption.]* I heard that, I say to whoever said the G word. The national interest is about restricting our contributions to the EU. We are making difficult decisions here, and that is what we should be pushing for in Europe. What was encouraging about this European Council was what a strong alliance we could build with others at the same time as protecting ourselves by preventing any of this treaty change from having an effect on the UK.

Mr Nigel Dodds (Belfast North) (DUP): The Prime Minister says that from now on the EU budget must reflect what we are doing in our own countries, so can he give us a cast-iron guarantee that in 2012, 2013 and thereafter there will be cuts to the EU budget, or can he use more reassuring words?

The Prime Minister: What I can say to the right hon. Gentleman is that, for the first time, the European Council's conclusions set out the new principle that increases or changes to the EU budget should reflect what we are doing in our nation states. That has never been put in place before, which is why the Commission opposed it so much. The principle is that what is happening across Europe must be reflected in the EU budget; that is the key. I will be pressing for the best possible outcome in 2012 and 2013, and as Britain is a net contributor the best possible outcome for us is that we do not make these increases in our net contribution.

Sir Malcolm Rifkind (Kensington) (Con): Does the Prime Minister agree that the experience of the Labour Government in respect of the European budget was a failure to reconcile net income with gross habits, and will he also confirm that his success in putting together this blocking coalition will save the British taxpayer half a billion pounds?

The Prime Minister: My right hon. and learned Friend is absolutely right. Every percentage increase we save is equivalent to well over £100 million. The failure there has been—for a long time, frankly—over this issue is twofold: a failure to take the budget issue seriously enough and, secondly, a failure to have transparency and therefore to have the information about the EU budget out there so that citizens in Europe can really complain about the inflated salaries and allowances. Let me give just one example: civil servants who have been in Brussels for 30 years are still paid generous expatriate allowances. That is the sort of excess that we have got to deal with.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Prime Minister seems to have great faith in protocol 15. I also noted that he did not really answer the question asked by my right hon. Friend the Member for Rotherham (Mr MacShane), and I am beginning to wonder something: has the Prime Minister ever actually read the Lisbon treaty from page one to page—to the end. If so, when?

The Prime Minister: One of the many contributions to public life that my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) made after making that remark is that all future Front Benchers, probably on either side of the House, will carefully read every treaty and get to the end.

Mr William Cash (Stone) (Con): Given that response, will the Prime Minister confirm that the presidency conclusions, to which he has referred, do in fact endorse the EU taskforce report, which clearly states that there

[Mr William Cash]

will be "a new legal framework" for further surveillance and powers for economic governance, which cover both the eurozone and the EU, including us, and, moreover, that any EU treaty imposes legal rights and obligations on all the member states? Why, therefore, did my right hon. Friend reckon that, together, these do not affect the UK, that

"it isn't going to make any difference to us"

and that, on that basis, there would be, as he put it, no referendum?

The Prime Minister: This is a very serious point and we probably require a longer exchange than is possible from the Dispatch Box. I say to my hon. Friend, who follows this very closely, that we have to differentiate between two important things—the first is the Van Rompuy report and the second is the very limited treaty change that is being proposed by the Germans and now, in principle, endorsed by the Council—because the treaty change is really focused simply on the issue of putting a temporary bail-out mechanism on to a permanent basis.

On the Van Rompuy report, the paragraph to which my hon. Friend refers is paragraph 34, which talks about "macro-economic surveillance"—something that has happened for more than 10 years in the European Union. It is defined in paragraph 35, and paragraph 39 is very clear that the sanctions it talks about refer only to euro area members. I would also draw his attention to paragraph 4, which states that all of this is looked at

"within the existing legal framework of the European Union."

That is important. The other paragraph that I think is vitally important is paragraph 18, which says—I quoted it earlier—that

"strengthened enforcement measures need to be implemented for all EU Member States, except the UK as a consequence of Protocol 15 of the Treaty".

That is what gives us the protection. We read these things very carefully.

Mike Gapes (Ilford South) (Lab/Co-op): May I congratulate the Prime Minister on his consistency? In 2005, he won the leadership of his party by being the most Eurosceptic candidate; in 2007, he made a very clear commitment to hold a referendum on the Lisbon treaty; and now he has capitulated on his previous position of a freeze. Can I take it that public sector workers facing a freeze will now get a 2.9% increase?

The Prime Minister: The hon. Gentleman, who is very experienced in this House, has clearly not met my right hon. Friend the Defence Secretary. I am sure that I can arrange for them to spend some quality time together.

Richard Ottaway (Croydon South) (Con): I congratulate the Prime Minister on playing a very difficult hand at the summit. Does he agree that seeing off the European Parliament's budget, securing our opt-out on economic governance and ensuring that future budgets will reflect a nation's spending cuts all adds up to a good day's work?

The Prime Minister: May I thank my hon. Friend? I do think this principle that what happens in terms of the EU budget should reflect what happens to member states' budgets is an important principle. Of course, as we speak today, it is just words in a conclusions text, but many of the things that my hon. Friends and I have worried about over the years have been words in a conclusions text—a little opening that people who want more and more of the European Union push their force through. We have now got a wedge, if you like, that we can push on at all subsequent negotiations: that the European Council has accepted that what is good for nation states is good for the European Union's budget.

Hywel Williams (Arfon) (PC): What discussions did the Prime Minister have with the Council on convergence funding and what are the implications of the budgetary settlement on that funding?

The Prime Minister: We did not have detailed conversations about the elements of the budget. Clearly those countries that are net recipients were opposed to what I was proposing, and obviously the tighter the budget, the less money there is for the things within that budget, but within the budget we should always fight for a good deal and we should also make sure that depressed parts of the UK get access to that money. But when you look at what the European Parliament was putting forward for its 6%, you find that it included, for instance, a massive amount more for dairy farming, so it was not actually connected to getting the European economy moving.

Mr Edward Leigh (Gainsborough) (Con): What sort of world are MEPs living in? At a time when everybody else is tightening their belts, these people are awarding themselves ever more generous allowances and salaries, despite the fact that most people do not even know who they are. Will my right hon. Friend suggest to his friends on the Council that we export IPSA the—Independent Parliamentary Standards Authority—to the European Parliament?

The Prime Minister: That is an idea of pure genius. I am not sure that even the briliiant simultaneous translation that is available would really enable me to explain IPSA in all its complexities. There is a serious point, however, and this is where transparency matters. I remember, when the whole problem of allowances, pay, pensions and everything broke in this place, looking again at the European Parliament's rules. They are not transparent enough and we need to sort that out. As I say, when it comes to the European budget, transparency, which is going to be a great weapon in local government and central Government, can be such a weapon in Europe, too.

Tony Lloyd (Manchester Central) (Lab): The Prime Minister, of course, will not have been able to see the faces of his colleagues behind him when he made his statement. In terms of the big happy family that he commands, does he think that he still has the support of the majority of Conservative MPs?

Hon. Members: Hear, hear!

The Prime Minister *rose—*

Sir Alan Haselhurst (Saffron Walden) (Con): Instead of the passing satisfaction that might be gained from a "toys out of pram" approach, is not my right hon.

Friend's achievement the fact that we have a first pragmatic step towards getting a grip on the EU budget, and will other steps follow?

The Prime Minister: It is important that we build alliances for what we are trying to achieve. I would say to all my right hon. and hon. Friends that there are many things that we do not like about the European Union's development and many things that we would like to change. We must pick our battles and our fights. The important battle to have is the one over the budget and it is important to try to build alliances for that. There is strong support from other countries—not just the donor countries but those that are making difficult decisions at home and recognise that it is simply insupportable to see one budget going up and up when they are having to cut things back in their domestic economies.

Mr Tom Watson (West Bromwich East) (Lab): At what we now know as the Prime Minister's "delicious" press conference, he questioned the number of BBC correspondents sent over to report on his triumph. Who did he want to send home the most—Nick Robinson or Michael Crick?

The Prime Minister: I probably should not have used the word "delicious". I was just making the point, as we were talking about cuts, that the BBC seemed to be extremely well represented. I do not think that Nick Robinson was there, but it is always a joy to see Michael Crick.

Mr James Arbuthnot (North East Hampshire) (Con): On the defence relationship with France to which my right hon. Friend referred, is he aware that I have forgiven the French for taking off the head of my great-great-great-great grandfather at Trafalgar? Does he agree that the treaty that he will be signing tomorrow with President Sarkozy needs to contain real concrete arrangements to improve defence co-operation between our two countries?

The Prime Minister: I am extremely glad that my right hon. Friend has forgiven the French, as I think he is joining me for lunch with President Sarkozy tomorrow—it might have been a little bit frosty. This is important, because Britain and France share a real interest. We have similarly sized and structured armed forces, we both have a nuclear deterrent and we both want to enhance our sovereign capability while being more efficient at the same time. This treaty will set out that in many areas—such as the A400M, the future strategic tanker aircraft, the issue of carriers and more besides—we can work together and enhance our capabilities while saving money at the same time.

Graham Stringer (Blackley and Broughton) (Lab): Local democracy in this country is facing 28% cuts over the next four years. That would be a good starting point, I think, as a target for the EU budget. What level does the Prime Minister think that the EU budget should be set at, ideally?

The Prime Minister: Obviously, we had to do the best we could with the 2011 budget. We now have the issues of 2012 and 2013 before we go into the 2014-2020 perspective. Many countries will be arguing for increases—the recipient countries will fight very hard for them and the European Commission, which always wants to see greater competences and more powers, will fight for them. Those of us who are doing the paying will have to unite and fight very hard. The better we can do in 2012 and 2013, the lower the baseline we will work off for the 2014-2020 perspective. That is where we will be pushing extremely hard.

Conor Burns (Bournemouth West) (Con): It is some 16 years since the European Court of Auditors last signed off the accounts. In welcoming our right hon. and noble Friend Baroness Thatcher's return to home and health this afternoon, may I invite the Prime Minister to consult her regarding what instrument he could use in place of the handbag to sort out this mess?

The Prime Minister: I am sure that the whole House will welcome Baroness Thatcher's better health and return from hospital. The deal she achieved at Fontainebleau all those years ago has saved this country £88 billion and it will be extremely important to defend that abatement as we go into the 2014-2020 negotiation. I am sure that she will be looking carefully to make sure that her legacy is assured.

Mr Dennis Skinner (Bolsover) (Lab): After such a miserable failure on the budget freeze, did the Prime Minister console himself by thanking the Italians for building British ships such as the Queen Elizabeth or by congratulating the Germans on winning a contract to occupy the channel tunnel? How much time did he spend hawking around Royal Mail to his new European pals?

The Prime Minister: The answer is no, I did not do any of that. I am not quite sure what point the hon. Gentleman is making. Trade between European countries is extremely worth while: just as we sell important goods and services to Germany and France, so they sell to us. I would have thought that even he and the dinosaurs opposite would think that was a good thing.

Mr David Nuttall (Bury North) (Con): I thank my right hon. Friend for his statement. Given that the proposed treaty change apparently will not affect the UK in any way, should we not simply leave it to the countries in the eurozone, which will be affected, to sign any new treaty? Should we not keep out of it?

The Prime Minister: My hon. Friend makes a fair point, but I think the best option for the UK, because this is a very limited treaty change about making this temporary mechanism permanent and because it is in Britain's interests, as we do not want a eurozone that goes kaput and we do not want to have to join in bail-outs—that is what this is about—it is better that it takes place through existing operations. Also, as I said in the statement, we have to bear in mind the role of London and Britain as a key financial centre. That will be strengthened by what is being done rather than by any alternative.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): The Prime Minister's visit to Brussels cost British taxpayers £450 million or so. Where is that money coming from, and would it not have been better spent on avoiding some of the cuts in services for ordinary hard-working families that his Government are putting through?

The Prime Minister: If we had taken the approach of the previous Government, we would have just said, "Never mind the increase suggested by the Council or the increase suggested by the Parliament, let's just let them come to some sort of deal and Britain will cough up," but we said, "No, let's restrict this to the very minimum it could be." That is not an approach that the previous Government took, but I am proud to say it is one that we took.

Mr Peter Bone (Wellingborough) (Con): As one pro-European who has concerns about the European Union to another, may I ask the Prime Minister whether the real problem with the budget is the £17.5 billion extra that we are going to pay over the next four years because that lot opposite gave up Mrs Thatcher's rebate?

The Prime Minister: My hon. Friend is absolutely right. In the negotiations in 2005, we were told repeatedly in the House by Tony Blair, standing here at the Dispatch Box, that he would consider giving up the rebate only if he got a proper deal on common agricultural policy reform. Do hon. Members remember that? In the end, all we got was a review of the CAP. That teaches us the very important lesson that we have to halt it.

Kate Hoey (Vauxhall) (Lab): Did the Prime Minister get a chance to discuss with any of the leaders privately or publicly the ludicrous European Union embassies being set up all over the world at huge expense? Does he realise that the public do not want that, but want well-staffed British embassies? Can we do anything about it, and is there any chance of a referendum in the next five years on whether we stay in or go out?

The Prime Minister: I do not believe in an in-out referendum, for many reasons. I think we are better off in the European Union—we have to fight our corner very hard—but I would grant a referendum if there were any proposed transfer of powers from Westminster to Brussels. On the European External Action Service, the hon. Lady knows that we opposed the Lisbon treaty, that we thought the creation of the EEAS was a mistake and that we have pushed as hard as we can within Europe to keep its costs under control. There is an argument that because of the combination of the previous High Representative and Foreign Minister roles, the posts and the budget should cost less, and we push that case as hard as we can.

Sir Menzies Campbell (North East Fife) (LD): As another of the Prime Minister's new friends, may I remind him that in 2010 family life takes many different forms in this country? May I also commend his pragmatism in relation to defence co-operation with the French, which he no doubt discussed with President Sarkozy over the weekend? If it is successful in conventional co-operation, what are the prospects for similar co-operation in nuclear matters?

The Prime Minister: I think there are prospects for our working together in this area, not least the French investment in civil nuclear power that is going to take place in the UK. There are opportunities, which we will be talking about tomorrow. In terms of the broader family, I do not quite know what my right hon. and learned Friend would be—a wise uncle, I suppose, to give me good advice. I seriously believe that the link-up with the French over defence is in the long-term interests of both our countries. To those who worry that this might in some way lead to European armies, I say that is not the point. The point is to enhance sovereign capability by two like-minded countries being able to work together.

Nia Griffith (Llanelli) (Lab): Following on from the Prime Minister's answer to his hon. Friend the Member for Stone (Mr Cash) in which he explained very carefully why he fully understands and justifies the use of the Lisbon treaty for modifications, can he explain to us exactly what type of modifications or changes he would want to have a referendum on? Exactly what transfers of power would he want to put to the country in a referendum?

The Prime Minister: The hon. Lady asks a reasonable question. The Bill that we will be looking at will say that there should be a referendum on any transfer of power—a proper transfer of competence. As a general principle, the House should not give away powers it has without asking the people who put us here first. That is the principle that we should adopt. I do not want us to give any further powers from Britain to Brussels, so I am not proposing that we should. Further to answer the hon. Member for Vauxhall (Kate Hoey), I am not anticipating us having a referendum, because I do not want to see that transfer of powers. What is being proposed by the Germans and will be finally agreed at the December Council, yes, is a transfer of powers for countries in the eurozone. It definitely means that as well as having the euro, they will have more co-ordination of their economic policy, and punishments if they do not do certain things. That, to me, is perfectly logical if they are in the euro. It was one of the reasons why I did not want to join the euro in the first place and why, as long as I am Prime Minister, we will not do so.

Mr Oliver Heald (North East Hertfordshire) (Con): Does the Prime Minister accept that it is welcome, if unusual, to see so many Heads of State supporting a British Prime Minister on an issue on which the European Parliament takes a different view? Does he agree that perhaps there is a role for national Parliaments, which, right across Europe, are facing difficult economic decisions, to support these Heads of State, including, of course, the Prime Minister, because it is right—

Chris Bryant (Rhondda) (Lab): He is not a Head of State.

Mr Heald: —the Head of Government, I said. It is right that the EU's budget should reflect the means of the countries that are in the EU.

The Prime Minister: I hope the former Europe Minister, the hon. Member for Rhondda (Chris Bryant), will stay calm. My hon. Friend the Member for North East Hertfordshire (Mr Heald) makes a good point. Part of the problem in the past has been that other member states have not been as focused on the budget and the impact on their own publics as they are now. They are focused on it now because they all have to make difficult decisions. When we sit round the European Council table, we are often discussing what we are having to do with public sector pay, pensions or other difficult decisions, so there is a common interest which the Parliaments of Europe can help remind their Governments about.

Kelvin Hopkins (Luton North) (Lab): It is clear that a number of member states are unlikely to be able to sustain their membership of the euro for the long term. They are already suffering serious internal economic damage, some requiring external fiscal transfers, and other countries may be in the same position in the not-too-distant future. Was there any talk, privately or otherwise, of the possibility of member states leaving the euro, so making it work better?

The Prime Minister: I do not believe that will happen, but what was interesting about this European Council is that there is quite an existential debate taking place within the eurozone about what it means to be a member of the euro. There is a very strong push by the Germans, who obviously feel that they have had to bail out the Greeks, that they have to have tighter rules for members of the eurozone, and there are very great worries on the part of some countries about the sanctions that could be applied to them. This is a debate that was inevitable when there is one currency and many countries and they are having to give up some of their sovereignty to make that single currency work. It is perfectly logical for eurozone members. It reinforces in my mind that they are right to do that, but we are right not to be part of it.

Chris Heaton-Harris (Daventry) (Con): May I say to the Prime Minister how refreshing it was, after 13 years of inactivity and disinterest in this area, to see a British Prime Minister fighting for a reduction in the size of the EU budget and for better value for money for British taxpayers? Can he confirm that he now has two potential vetoes—first, on the limited treaty change on economic governance, and, secondly, on the EU budget for the next period, 2014 to 2020—and that they can be used independently of each other?

The Prime Minister: My hon. Friend is entirely right. Britain does have leverage, influence and an impact in these negotiations. The question that we have to answer is, what can we achieve that is most in the national interest. I do not want to make promises that I cannot keep or to set goals that are impossible, but action on the budget and the future financing is where we should exert our influence.

When it comes to treaty change, there would be a stronger argument for pursuing treaty changes of our own if what was now being suggested were a wider treaty change. It is not; it is a relatively limited change that makes the temporary mechanism permanent. We will see the full details of it in December, and we will be able to be involved in its negotiation, as my hon. Friend says.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Has the Prime Minister made any calculation of how many new teachers, nurses or police officers could have been employed with the 2.9% increase that he has conceded to the EU?

The Prime Minister: I have to say to the hon. Lady that one constructive thing that she and other Opposition Members could do is to talk to their Members of the European Parliament. They had the chance to vote for a freeze in the budget, and they did not do that. So, it is all very well hon. Members standing up and saying how much more Britain is going to have to pay, but their MEPs are doing nothing to help in that argument.

Mr Aidan Burley (Cannock Chase) (Con): Has the Prime Minister had the chance to discuss security co-operation with the German Chancellor in the light of the increased bomb threats?

The Prime Minister: Yes, I did have that conversation, because the German Chancellor stayed at Chequers over the weekend, and we discussed a range of those issues. Obviously the aeroplane in question, having left Yemen, had landed in Germany and then in Britain before it was due to go on to the United States. That reminds us of how interconnected we are, so the British and the Germans, quite close together, made the announcement about not receiving packages and parcels from Yemen. My right hon. Friend the Home Secretary will be giving further details in a moment or two, when she makes her statement.

Chris Bryant: Let me get this right. The Prime Minister failed to put together a blocking minority in July, and he did not even manage to get the Polish on board, despite the fact that the Polish Foreign Secretary was in the Bullingdon club with him at Oxford. He failed to put together a blocking minority, he let the matter go through in August, he tried again at the beginning of last week, he failed—and then he proclaims himself the great saviour of this country. How can it possibly be a success until he comes back to this country with a guarantee from the French that they intend to cut the common agricultural policy?

The Prime Minister: The difference between the hon. Gentleman and me is that when we were both at Oxford he was a member of the Conservative association and I was not.

Nadhim Zahawi (Stratford-on-Avon) (Con): The Prime Minister quite rightly says that London is the financial heart of Europe. The chief executive of the London stock exchange, a Frenchman, has warned of the harm that European legislation can do to the vital alternative investment market. Can the Prime Minister reassure the House that that will not happen?

The Prime Minister: My hon. Friend makes an extremely good point, and it goes to the heart of the point that my hon. Friend the Member for Daventry (Chris Heaton-Harris) made. When the Chancellor of the Exchequer, the Financial Secretary to the Treasury, I and others negotiate in Europe, I am extremely conscious of the fact that some of the directives coming out of the European Commission on alternative investments, such as the Larosière proposals on finance, have the potential to do great damage to the UK, and we do have to make sure that we use our negotiating muscle on the things that make the most difference to us. That is very important. Rather than focusing on things that might sound good from this Dispatch Box, let us focus on the things that make a difference to the great businesses of our country.

Diana Johnson (Kingston upon Hull North) (Lab): In the light of the estimated 20,000 job losses among police officers in this country, how many officers does the Prime Minister think could be employed by the 2.9% increase that he has conceded?

The Prime Minister: I have a message for the Whips: you need to hand out more than one question; it is always better if there is a choice. But I think that I answered it earlier.

Alec Shelbrooke (Elmet and Rothwell) (Con): I congratulate the Prime Minister on once again showing real leadership in Europe. Drawing on the comments made by the Leader of the Opposition a moment ago, we all want to be fully involved at the heart of Europe and in partnership with it, but that does not mean that we have to roll over and have our bellies tickled every time a proposal comes forward.

The Prime Minister: I am on only my third European Council, and they are rather more frequent than they used to be, but I do not think it is impossible to combine a strong defence of the national interest with building alliances. Everyone round that European Council table recognises that we actually do all have interests that we have to try to protect on our own as well as making sure that we are making the right decisions for the 27.

Mr Kevan Jones (North Durham) (Lab): Given that negotiations on the budget are continuing with the European Parliament, will the Prime Minister give us one of his famous cast-iron guarantees that his Government will not accept an increase above 2.9%?

The Prime Minister: The point I can make is that 13 Heads of Government or Heads of State signed a letter saying they would not accept more than 2.9%, so it is not just my word but the word of all those leaders who have said that this should not be accepted. That is the best thing that we could do, and it gives a real chance of either achieving 2.9% or, possibly even better, a deadlock which would mean a freeze for next year.

Mr John Baron (Basildon and Billericay) (Con): Given the extent of belt tightening in this country, does my right hon. Friend believe that now is the right time to get the EU's accounts fully and independently audited in order to reduce waste and fraud, and will he push for that?

The Prime Minister: My hon. Friend makes a good point. The first thing we are going to do is the initiative on transparency and openness to try to draw greater attention to what the European Union spends its money on. We will find that some of the spending—spending on science projects and the like—may be worth while, but I am convinced that there is a lot of waste that could be cut out if we had the transparency that we are applying to our own budget back here in the UK.

Mr James Clappison (Hertsmere) (Con): May I congratulate my right hon. Friend on clearly standing up for Britain's interests? On the parts of the Van Rompuy report that set in place new mechanisms that clearly concern the United Kingdom, even though it is a non-eurozone member, will my right hon. Friend bear in mind the inevitable pattern of EU history whereby any grant of power is followed by demands for more and more power, as surely as night follows day?

The Prime Minister: My hon. Friend makes an extremely good point. I can tell him that the Chancellor and I, in undertaking these negotiations, are acutely conscious that you have to watch the language that is being proposed by others in the European Council and keep asking whether it is setting some future trap for the UK Government. I have to say that I think the language in the Van Rompuy report about its not affecting Britain in terms of sanctions is extremely clear.

There is one other point I would make, which is about the opt-out that was negotiated from the Maastricht treaty. That opt-out has worked well. Yes, there is surveillance in terms of economic policy—that has happened for 10 years—but frankly, it has not forced us into doing anything we did not want to do. Just as that opt-out has held good, we have now renewed and refreshed it for this fresh group of challenges that have come towards us.

Charlie Elphicke (Dover) (Con): May I congratulate my right hon. old Friend on his excellent statement—*[Interruption]* Well, having some friends, that is—and ask him if he is aware of any member of the British delegation to the European Parliament who voted for the higher budget increase, and if so, will he name and shame them?

The Prime Minister: What I can say is that when there was a motion in the European Parliament to support a freeze, 12 out of 13—I think it was—Labour MEPs voted against that, so they had the opportunity to stand up for what some of their colleagues have stood up for today, and they failed to do it.

Mr Julian Brazier (Canterbury) (Con): In the light of my right hon. Friend's opening remarks and his comments on his bilateral with the German Chancellor, does he agree that Britain is very well placed to lead the transition in Europe towards the era of information-age terrorism, especially as we have GCHQ, and as his new National Security Council has made such a strong commitment to more spending against cyber warfare?

The Prime Minister: My hon. Friend makes a very good point. Prime Ministers and Ministers often praise the security services, and it is good to put on the record the very hard work that people at GCHQ in Cheltenham do; they are among the best in the world at what they do. That gives us an opportunity to combat this new threat of cyber terror and cyber attacks that affects not just our defences but many, many businesses in our country. There is a chance to have some real leadership in this respect, and other countries, including France and Germany, are coming to us wanting to work with us in combating cyber threats because of the investment we are managing to put in.

Mr Philip Hollobone (Kettering) (Con): The cost of the new European diplomatic corps will eat up on its own the entire net contribution from this country, both this year and going forward. What did my right hon. Friend say to Baroness Ashton about the ballooning costs of that organisation, and what was her response?

The Prime Minister: I know that my right hon. Friend the Foreign Secretary has had this conversation, and I have discussed the issue as well. While we opposed the European External Action Service—we did not want it to be created in the first place—the Lisbon treaty, sadly, is now a fact we have to live with. But because what

were two roles are combined into the role that Baroness Ashton fills, there should be opportunities for some cost savings. Actually, the European Parliament has offices around the world, and we think there is a real opportunity to rationalise that and ensure that it keeps its cost under control.

Aviation Security Incident

4.30 pm

The Secretary of State for the Home Department (Mrs Theresa May): With permission, Mr Speaker, I would like to make a statement on the recent airline bomb plot. The House will know that in the early hours of Friday morning, following information from intelligence sources, the police identified a suspect package on board a UPS courier aircraft that had landed at East Midlands Airport en route from Cologne to Chicago. Later during the morning, police explosives experts identified that the device contained explosive material. A similar device was located and identified in Dubai. It was being transported by FedEx to Chicago.

Since then, an intensive investigation has been taking place in this country and overseas. Cobra met on Friday to assess progress, I chaired a Cobra meeting on Saturday and the Prime Minister chaired a further Cobra meeting this morning. I am sure the House will appreciate that much of the investigation is sensitive, and the information I can give is necessarily limited. Disclosure of some details could prejudice the investigation, the prospects of bringing the perpetrators to justice, our national security and the security of our allies, but I want to give the House as full a picture as possible.

We know that both explosive devices originated in Yemen. We believe that they were made and dispatched by the organisation known as al-Qaeda in the Arabian Peninsula. This group, which is based in Yemen, was responsible for the attempted downing of an aircraft bound for Detroit on 25 December last year. The devices were probably intended to detonate mid-air and to destroy the cargo aircraft on which they were being transported. Our own analysis of the device here—analysis that has to proceed with great care to preserve the evidential value of the recovered material—established by Saturday morning that the device was viable. That means not only that it contained explosive material but that it could have detonated. Had the device detonated, we assess that it could have succeeded in bringing down the aircraft. Our forensic examination of the device continues. We are receiving valuable assistance from a wide range of partners, and the analysis has some way to go.

At this stage we have no information to suggest that another attack of a similar nature by al-Qaeda in the Arabian Peninsula is imminent, but the organisation is very active. During this year it has repeatedly attacked targets in Yemen. On 26 April and 6 October it attacked and attempted to kill British diplomats based in Sana'a. It continues to plan other attacks in the region, notably against Saudi Arabia. We therefore work on the assumption that the organisation will wish to continue to find ways of attacking targets further afield.

We will continue to work with international partners to deal with this threat. We have for some years provided assistance to the Yemeni Government and will continue to do so. The Prime Minister has spoken to President Saleh to make clear our desire for a closer security relationship. Following the Detroit incident, Ministers in the last Government took the decision to stop all direct passenger and cargo aircraft flying from Yemen to and through the UK. Over the weekend, we took the further step of stopping all unaccompanied air freight to this country from Yemen. That will include air freight from Yemen both carried on courier flights and hold-loaded

[Mrs Theresa May]

in passenger aircraft. The small number of items in transit prior to that direction have been subject to rigorous investigation on arrival in the UK, and no further suspicious items have been discovered.

We are now taking further steps to maintain our security. I can confirm to the House that we will review all aspects of air freight security and work with international partners to make sure that our defences are as robust as possible. We will update the guidance given to airport security personnel based on what we have learned, to enable them to identify similar packages in future.

From midnight tonight, we will extend the suspension of unaccompanied air freight to this country from not just Yemen but Somalia. This decision has been made as a precautionary measure and it will be reviewed in the coming weeks. It is based on possible contact between al-Qaeda in Yemen and terrorist groups in Somalia, as well as on concern about airport security in Mogadishu.

From midnight tonight, we will suspend the carriage of toner cartridges larger than 500 grams in passengers' hand baggage on flights departing from UK airports. Also from midnight tonight, we will prohibit the carriage of these items by air cargo into, via or from the UK unless they originate from a known consignor—a regular shipper with security arrangements approved by the Department for Transport.

We intend that these final two measures will be in place initially for one month. During that time, we will work closely with the aviation industry, screening equipment manufacturers and others, to devise a sustainable, proportionate, long-term security regime to address the threat. Department for Transport officials are already in technical discussions with the industry, and my right hon. Friend the Secretary of State for Transport will chair a high-level industry meeting later this week to discuss next steps. These initiatives are in addition to those that we have set out in the strategic defence and security review.

We are already committed to widening checks on visa applicants to this country. Following the Detroit incident, we are also committed to making changes to pre-departure checks to identify better the people who pose a terrorist threat and to prevent them from flying to the UK.

We are committed to enhancing our e-borders programme, which provides data on who is travelling to this country and which is therefore an essential foundation for our counter-terrorist and wider security work. We have an increasingly active and important border co-operation programme with counterparts in the USA. The Detroit incident led to the introduction of further passenger scanning devices at key airports in the UK.

Cobra will continue to meet through this week. The National Security Council will also consider this issue. We will continue to work closely with our partners overseas.

Finally, the House will wish to join me in expressing gratitude to the police and the security and intelligence agencies in this country for the work they are doing to understand the threat we face and to deal with it so effectively.

Ed Balls (Morley and Outwood) (Lab/Co-op): The whole country has been shocked by the events of the last four days—by the discovery of two concealed and hard-to-detect explosive devices on aircraft, one of which was at East Midlands airport, by the risk that further devices may be at large and by the serious and challenging threat that such terrorist activity constitutes to public safety and our country's security.

At Home Office questions earlier, I commended the Home Secretary for the calm way in which she has led the response to these threats and chaired and reported on Cobra meetings. I thank her for the Privy Council briefings that she gave me on Friday night and again on Saturday afternoon. I join her in commending our police, intelligence and security services for the brave and vital work they have done over the past few days in close co-operation with allies around the world to save lives, as they do every other day of the year.

It is the job of Her Majesty's Opposition to ask questions, probe statements and hold the Government to account. That we will do, but we will be mindful at all times of our wider responsibility to support necessary actions to keep our citizens safe and protect our vital national interests. In that spirit, I have questions for the Home Secretary on three issues: the detailed events of the last few days, and the implications for airline security and wider national security.

First, we all appreciate the way in which intelligence and international co-operation are involved. Events move fast, and things are always clearer with hindsight, but at what precise point were the police, the Home Secretary and the Prime Minister first told about the potential threat? Were there delays in getting precise information to our security and police officers on the ground? Why was the device not discovered by police officers during the first search? Could earlier information have made a material difference to the search? What operational lessons, if any, will be learned when dealing with such events in the future?

Secondly, the fact that the two live explosive devices were intercepted by an intelligence tip-off only after they had been carried on at least five different planes, three of which were passenger aircraft, raises serious questions about the security of our airspace. Some security experts have referred to cargo security as a potential blind spot. I understand that Lord Carlile drew attention to the potential risks of cargo transit in his annual reports in 2007 and 2008, and that significant actions were taken to improve intelligence and international security co-operation at that time. I also understand that a tougher search method, called explosive trace detection, was introduced for passenger flights last year following the Detroit attempted attack.

I appreciate that this is a complex problem to solve, that a review has been set up and that the Home Secretary has already acted to ban unaccompanied cargo packages from Yemen and Somalia and put in place temporary restrictions on carrying toner cartridges, but what conclusions does she draw about the reliability of current checks from the fact that the device was not spotted on the first check by police experts at East Midlands airport? Will the review consider extending explosive trace detection from passenger to cargo flights, which I believe has happened in the United States? Will the scope of her review cover cargo carried in passenger as well as cargo aircraft? Should we take any other action now to improve the security of cargo coming into, going out of or transiting the UK while the review is undertaken?

The events of the last few days also raise wider issues for national security and our counter-terrorism strategy. It is clear that terrorists operating out of Yemen constitute an increasing threat, as the Home Secretary said. Can she assure the House that the Government are in urgent discussions with the Yemeni Government and our allies around the world with a view to doing more to interrupt terrorist activities at source? Given the wider evidence of a mounting threat, the judgments that will underpin the Government's current review of counter-terrorism powers are especially important. Although we will reserve judgment until we see the outcome of the review, I have said that the Opposition will seek to support her where we can and that consensus should be our shared goal.

Finally, I must raise the issue of resources. Given that the explosive devices were intercepted through vital intelligence work, is the Home Secretary confident that a 6% real-terms cut in the single intelligence account over the next four years can be managed without compromising such work? Given that the device was discovered by specially trained police working closely with our security and border services, is she confident that a 10% real-terms cut in counter-terrorism policing over the next four years and a 50% cut in capital available to the UK Border Agency will not undermine operational capability?

The Olympics are now just two years away and the eyes of the world will be on our country. Given that the planned 20% real-terms cuts in police budgets is front-end loaded, and that there will be a 6% cut in the year before the games and an 8% cut in the year of the Olympics itself, can the Home Secretary assure the House that the extra strain that police resources will face will not pose an unacceptable risk to fighting crime and our national security? Does she agree with me that in the light of the events of the past few days, the issue of resources should now be looked at again, alongside the counter-terrorism review?

Mrs May: May I first thank the right hon. Gentleman for the way in which he has responded on this issue? He is absolutely right that this is a not a matter of party political divide, but one of concern to all of us across the House. It is important that we get our response right, and I am grateful to him for indicating that he will support the Government in the measures that we take and the response that we give. He asked a number of detailed questions, some of which were quite operational in type. I will attempt to answer as many of his questions as possible, but if I do not answer his operational ones now, I will be happy to do so in writing afterwards.

The right hon. Gentleman referred to the fact, which I mentioned in my statement, that the initial indication of the device came from intelligence. We do not speak about intelligence sources or say how it came about, but, on timing, I can tell him that the police attended the airport and looked to see what they could find in relation to the device. It took a while before the device was identified as something that contained explosive material. I and the Prime Minister were informed that there was a device containing explosive material at about 2 o'clock on Friday.

The right hon. Gentleman referred to comments from security experts about this being the "soft underbelly", which is a term that some have used. In relation to cargo and other aspects, I would say that, as I am sure he is aware, we are in a constant battle with the terrorists, who are always looking for another innovative way to get around our defences. Our job, and the job of our security and intelligence agencies and the police, is to ensure that we do all we can to ensure that there are no gaps in our defences. In that context, the work that the Government have already done in introducing the national security strategy and, crucially, in bringing Departments together in our work on security is an important part of that task.

The right hon. Gentleman asked various questions about cargo. The review will cover a number of issues. Obviously, when such an incident takes place, it is right not only that we take stock and that we take action immediately—as we have done—but that we do more work with the industry. As I indicated, my right hon. Friend the Secretary of State for Transport will be taking that forward, and I can confirm that the review will consider the extension of explosive trace detection, although there are some significant technical issues there. Certainly, however, the review will look at that.

The right hon. Gentleman referred to the counter-terrorism review. As he will have heard me say at Home Office questions earlier, final decisions have not been taken on the review. I am absolutely apprised of the fact that the Government, like every Government, need to ensure that the safety and security of the public are a prime concern. We need to rebalance our national security with our civil liberties, but I am well aware that it is our national security that enables us to enjoy our civil liberties. We remain conscious of that.

The right hon. Gentleman then asked a number of questions about cuts to budgets. He asked whether I was confident in the ability of the security and intelligence agencies to maintain their level of work, and to do their vital job in keeping us safe, and I can say that yes, I am confident. On cuts in policing, as he knows, police forces will be able to take money out of non-front-line policing. On border services, crucially, the coalition Government are committed to enhancing our ability to keep our borders secure, through the introduction of the border police command under the new national crime agency we will be setting up.

Finally, of course the Olympics budget is protected, and a significant part of the Olympics security budget, which is protected within the Home Office, relates to Olympics policing.

Simon Hughes (Bermondsey and Old Southwark) (LD): I thank the Home Secretary, her officials and the police, security and intelligence community for their excellent work in this case. In implementing the comprehensive set of measures that she has announced, will she take into account the fact that there have been reports of variable levels of rigour deployed by different companies responsible for ensuring that the highest inspection standards are enforced throughout our airports? Will she also undertake to ensure that any goods coming directly or indirectly from any country about which we have a particular concern have the same tracking method and the same double security check, which will give the additional assurance we need in regard to people acting mainly from specific places around the world?

Mrs May: I thank my hon. Friend for his comments. Obviously, the review has to consider a number of aspects of how we can defend ourselves against potential attacks of this sort. We can control what we do at our

[Mrs Theresa May]

own airports, but of course what is done at overseas airports is not directly under our control. That is why our international work is so important. Generally the UK is looked to as a leader in airport security, and often other countries look to see what we are doing, and enhance their procedures in line with it. Obviously we will be talking to other countries, as well as to airline and airport operators, about the arrangements that they put in place. It is important that we are able to conduct certain tracking operations. For example, I checked with The UK Border Agency just before I came here to make this statement, and I can say that it has been tracking and looking at the ban introduced on Saturday on unaccompanied freight cargo from Yemen, and has confirmed that the prohibition has been operating properly.

Mr Jack Straw (Blackburn) (Lab): May I add my commendation to the right hon. Lady for the balanced and calm way in which she has dealt with this difficult situation, something on which my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) and I both have reason to reflect? Given the critical role that intelligence played in the detection of this potential outrage, may I ask her whether she agrees with what Sir John Sawers said last week in advance of this outrage, about the need for accountability for the agencies, but also, above all, about the imperative of secrecy to enable them to do their job with security, which is essential if we are to defeat the terrorist threat?

Mrs May: I thank the right hon. Gentleman for his kind remarks, and I agree with him absolutely. By definition, the very nature of the secret services is that part of what they do is secret. It is important that efforts are made where possible to explain to the public the sort of work being done and the sort of issues being addressed. Indeed, there has been a series of speeches in recent weeks—from the director general of MI5, the head of GCHQ and, now, Sir John Sawers—explaining the operation of each of those different agencies, but of course it is axiomatic that secret work has to be conducted in secret.

Andrew Bridgen (North West Leicestershire) (Con): I would like to praise the security services and the staff of East Midlands airport, which lies in my constituency. By intercepting that package, they may well have saved lives. Everyone who contributed to that successful operation can be rightly proud. However, I would like to ask the Home Secretary for an assurance that additional screening will be introduced only if it is clearly shown to be necessary, and that any such measures would be implemented on a Europe-wide or worldwide basis, and not in the UK alone.

Mrs May *rose—*

Andrew Bridgen: In other words, what we need to do is avoid UK-only measures.

Mr Speaker: Order. I think that we have got the drift of the hon. Gentleman's inquiry.

Mrs May: I thank my hon. Friend for his question. May I join him in commending the work of all those at East Midlands airport, including the police and others working there, for the way that they dealt with the incident? It is one thing to stand here in the House of Commons and talk about such an incident; it is quite another to approach a device that one knows may be explosive and to deal with it on behalf of others. I certainly thank them for their work, and I commend them for it.

On the second part of my hon. Friend's question, I would simply say that it is not in our gift to mandate the response of others on such issues. However, the work that we will be doing—and that we have been doing as a country over the years—which involves talking to international partners, airlines and airport operators about security levels and the measures that need to be put in place, is part of the process of trying to ensure that, as far as possible, we see enhanced security in other places.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): May I reinforce the bipartisan approach that my right hon. Friends have already mentioned? The Home Secretary will know that we have a significant Yemeni community in Sheffield, the members of which would want me to offer their support for the measures that she has announced this afternoon and for the way in which she is drawing down experience and expertise. Will she engage the Yemeni community in this country as part of the process of reinforcing the Government's approach to the Yemeni Government, who face the most enormous difficulties because of historic, geographic and tribal splits, and the way in which al-Qaeda has moved from Saudi Arabia into Yemen, and in some cases is using the discontent of people living there as a way of propagating its terrorist activity across the world?

Mrs May: I thank the right hon. Gentleman for his suggestion, and of course that understanding and knowledge of the Yemeni community here in the UK are important to us. The Government have been working closely with the Yemeni Government to try to support them in doing what they want to do, which is to ensure that al-Qaeda is not in Yemen and is not able either to make attacks in Yemen or to use the country as a launch pad for attacks elsewhere. We will continue to work with the Yemeni Government to do all we can to provide them with the support that they need to conduct that task.

Patrick Mercer (Newark) (Con): The Home Secretary will be aware that the borders of this country do not start and stop with the white cliffs of Dover. Will she outline what resources she intends to deploy directly in support of the Yemeni Government, and, if necessary, as the Department of Homeland Security has done, to work in that country?

Mrs May: I am happy to tell my hon. Friend that work is already under way with the Yemeni Government. Indeed, following the attempted Detroit bombing on 25 December, measures were put in place under the previous Labour Government, and have been continued under this Government, to work with the Yemeni Government and to provide them with various levels of support, particularly around airport security, which was crucial to the attempted bombing of that plane. That work is being funded by the Foreign Office and

will be continued. More widely, the Foreign Office has been part of the Friends of Yemen group, bringing in others to ensure that we do all we can to provide the sort of support that the Yemeni Government need in their battle against al-Qaeda, and to help us to fight al-Qaeda, too.

Hazel Blears (Salford and Eccles) (Lab): The devices were clearly designed to wreak havoc and cause a massive loss of life. I am sure that the country has breathed a sigh of relief that they were detected in this way. The right hon. Lady recognised that intelligence and the sharing of intelligence were key to what has happened. Will she reassure us that our international relationships are robust and strong enough to ensure the maximum sharing of that intelligence? Will she also, as my right hon. Friend the Member for Morley and Outwood (Ed Balls) has indicated, reflect on the fact that the comprehensive spending review says that there will be a real-term reduction in counter-terrorism funding for the police? In the light of such circumstances, I ask her to reflect on that position.

Mrs May: I have already responded on counter-terrorism policing. In answer to the first part of the right hon. Lady's question about our relationships with international partners, let me say that on intelligence gathering and the sharing of intelligence, the working with international partners is absolutely crucial. We have a particularly close relationship with the United States. Since this incident took place, I have spoken twice with my direct opposite number, the Secretary of Homeland Security, Janet Napolitano. The Prime Minister has spoken to President Obama, and other contacts are taking place with the United States. We are also conscious of the fact that we need to enhance information sharing and working with other partners across the world. For example, last week I was in Pakistan, talking to the Pakistani Government about how can enhance our relationship in the battle that we all fight in dealing with terrorists and the terrorist threat.

Dr Julian Lewis (New Forest East) (Con): My right hon. Friend has already made reference to the processes involved in scanning cargoes. Will she explain to the House whether the main issue is that existing scanners may not pick up a device of this sort, or is it that devices of this sort have been placed on the aircraft in other countries and they would not routinely pass before our own scanners?

Mrs May: I thank my hon. Friend for his detailed question. I am not in a position to give him an absolute answer, because forensic work is still ongoing in relation to the device. Obviously, once that forensic work is complete, we will know rather more about the device and, therefore, about what the response should be in relation to screening that sort of device. Until that forensic work is complete, it would not be appropriate for me to hazard an answer to the point that he has made.

Keith Vaz (Leicester East) (Lab): Mr Speaker, may I declare my interest, commend those who work in East Midlands airport, and warmly welcome the phone conversation between the Prime Minister and President Ali Abdullah Saleh? Does the Home Secretary not agree that the best way to protect our people is to work with the Yemeni Government? That means giving them the equipment and the security capability that we promised them at the London conference in January and implementing the recommendations of the Home Affairs Committee. I implore her to work with the Foreign Secretary and the International Development Secretary to ensure that a stunningly beautiful but desperately poor country does not fall into the hands of al-Qaeda?

Mrs May: I thank the right hon. Gentleman for those points. I understand that the equipment that was promised earlier this year, following the Detroit incident, is to be delivered to Yemen shortly. The Government have been working with the Yemeni Government, and we have common cause against al-Qaeda and will continue to do so for as long as it is in that country. Certainly, my right hon. Friends the Foreign Secretary and the Secretary of State for International Development are cognisant of the role that their Departments can play in helping the Yemen to fight back against the cancer of terrorism.

Mr Ben Wallace (Wyre and Preston North) (Con): I thank my right hon. Friend for her excellent bulletins and for her statement today informing us of the situation. That has led to a lack of hysteria as the issue has been reported in the media. At times like these, it is easy to reach for the latest piece of technology as a solution, as the previous Government did in the past. In countering terrorism, however, that often ignores the best solution, which is the profiling of people, air freight, destinations and embarkation points. Will the Home Secretary look again at the use of profiling, both for passengers and for freight, to see whether there is not a better way of solving the problem that we are facing from the likes of Yemen?

Mrs May: My hon. Friend raises an issue that has been mentioned on a number of occasions. That approach has been adopted by others. We are looking at all the techniques that we should be using to ensure that we provide the maximum protection for people in the UK. In relation to passengers, we are enhancing our ability at the borders to ensure that those who are a threat to the UK do not travel here.

Mr Nigel Dodds (Belfast North) (DUP): I thank the Home Secretary for her statement and commend the security and intelligence services for their great work. Sadly, however, she will be aware that the bomb at East Midlands airport was not the only bomb to be planted or found at a British airport this weekend. A bomb planted by IRA dissidents was found and defused at Belfast City airport. It would have caused casualties, injuries and even death, and I commend the security forces on locating and defusing it. This illustrates the fact that British citizens are subject to attack from a range of sources. Will the Home Secretary give a guarantee to all our citizens, wherever they live, that resources and efforts will be put into combating all kinds of terrorism? The focus is rightly on the incident in the east midlands at the moment, but the people of Northern Ireland are still facing the threat of dissident republican terrorism.

Mrs May: The right hon. Gentleman is right to remind us of the fact that terrorism comes from a number of sources, and not just from al-Qaeda. I commend

[Mrs May]

the security forces and the Police Service of Northern Ireland, not only this weekend but over recent months, for the increasing amount of work that they have done to prevent any incidents of terrorism in Northern Ireland from taking place. Indeed, the right hon. Gentleman will have seen in the national security strategy that we published two weeks ago that we have clearly identified the threat from dissident republicanism as one that we need to address. We are conscious of the fact that the number of attempted attacks in Northern Ireland has been increasing in recent months.

Robert Halfon (Harlow) (Con): I commend the security services for doing a remarkable job, but does not the incident involving the Detroit bomber show that other parts of civil society, such as our universities, are failing to get a grip on Islamist extremists? Does the Home Secretary agree that, for our fight against terrorism to succeed, we need to deal effectively with the conveyor belt to terrorism, just as we must deal with the terrorists themselves?

Mrs May: My hon. Friend has raised an important point. I hope that I can reassure him that, alongside our work on the incident at the weekend and on reviewing our counter-terrorism legislation, we are also looking at the development of extremism and the process of radicalisation. It is important that we ensure that people do not get drawn into a radicalised agenda that leads to extremism, violence and terror. That work is ongoing.

Paul Goggins (Wythenshawe and Sale East) (Lab): May I also thank the Home Secretary for her work over recent days, and for her statement this afternoon? In devising more effective ways of screening freight, what role do she and the Secretary of State for Transport envisage for the national aviation security committee, given the important role that the aviation industry plays in that committee's work?

Mrs May: I can tell the right hon. Gentleman that the question of the most appropriate forum for the discussions and work that need to take place will be discussed with the industry later this week at a meeting chaired by my right hon. Friend the Secretary of State for Transport.

Paul Uppal (Wolverhampton South West) (Con): In view of the fact that Yemeni unemployment is running at something like 40% and particularly that the intelligence intercept we received was from a former al-Qaeda operative, and echoing the sentiments expressed by my hon. Friend the Member for Harlow (Robert Halfon), may I ask the Home Secretary to be mindful of the fact that the battle for young hearts and minds is as important for the long term as any short-term security measures we implement?

Mrs May: I agree with my hon. Friend that the battle for hearts and minds is important. The approach to keeping this country safe is multi-layered. We have spent some time talking about physical security measures, which are an important part of our work to keep the country safe—intelligence and police work are other essential aspects of that work—but it is also important to ensure that we win the battle of hearts and minds, as my hon. Friend suggests. As I said in response to my hon. Friend the Member for Harlow (Robert Halfon), the Home Office is already looking at the processes of radicalisation and ways in which people turn to extremism. We need to see what can be done to ensure that we stop those routes and encourage people into a different way of life such that they do not want to blow up and kill people.

Mr David Hamilton (Midlothian) (Lab): As someone who stays 20 miles from Edinburgh airport, I can tell the Home Secretary that the bomb incident in middle England has alerted people to the fact that this is not just a London issue. Has she been in contact with the Scottish, Welsh and Northern Ireland Governments to give assurances—it is especially necessary in Scotland, where there are discussions about moving to just one police force—that the highest levels of security will be maintained in all regional airports?

Mrs May: I inform the hon. Gentleman that my noble Friend the Minister for Security spoke to the devolved Administrations at the weekend.

Joseph Johnson (Orpington) (Con): Does the Home Secretary agree that the best way of defending this country against the terrorist threat is to win the battle of hearts and minds, as has been said? I happened to spend Saturday and Sunday in Gaza, talking to young Palestinian people, and it was very clear to me that we are losing that battle at quite a rate—in large part because of the continuation of the blockade of Gaza. I wonder whether my right hon. Friend feels that our efforts might best be spent not in reaching for the latest bit of technology—my hon. Friend the Member for Wyre and Preston North (Mr Wallace) mentioned that—but in deploying ever greater diplomatic efforts to resolving that particular long-standing conflict?

Mrs May: There are many issues to be addressed in the fight to prevent the cancer of terrorism. As I said, it is not simply about physical security; many aspects need to be dealt with. I assure my hon. Friend that the Government are well aware of the many issues that need to be considered.

Steve McCabe (Birmingham, Selly Oak) (Lab): Given the particular nature of the threat, does the Home Secretary think it might be advisable to think again about cuts in capital for the equipment used in screening and detection programmes at our seaports and airports?

Mrs May: There are two aspects to the expenditure on equipment. Much of the equipment used for screening at airports and some other aspects is paid for by the industry rather than Government. The hon. Gentleman has reminded me that I failed to respond to one of the questions put by the shadow Home Secretary—about capital expenditure at the UK Border Agency. I assure the hon. Gentleman and his right hon. and hon. Friends that, within the capital programme for the UK Border Agency, key aspects of the work needed to enhance our border security, such as e-borders, are protected.

Rehman Chishti (Gillingham and Rainham) (Con): The Friends of Yemen task group reported back to the United Nations in July on a strategy for Yemen. What steps have been taken to implement the findings, prior to the group's meeting in Riyadh?

Mrs May: I am grateful to my hon. Friend for his question. The Foreign Office has been taking this matter forward, and my right hon. Friend the Foreign Secretary has been very alive to the need for the Government to be working within that Friends of Yemen group to ensure that steps are taken to support the Yemen Government. I would be happy to ensure that my hon. Friend receives a detailed reply on the particular steps that have been taken.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The events of the weekend underline the importance of global intelligence systems, but what new steps can be taken to develop new technologies and techniques to deal with the information that comes from those systems? May we have an absolute assurance that we will take strong action against those who incite mass murder, and that we will not accept any political excuse from those who advocate the killing of human beings?

Mrs May: I am happy to support what the hon. Lady has said about the need to deal with those who purport to encourage others to kill human beings and indulge in mass murder in the name of politics. As for her first question, there are many different aspects, and many different approaches need to be taken in response to intelligence. Some of that response may involve police work, while some may involve physical security work by Governments or others. It is essential for us to think carefully about all the facts that we need to identify and deal with, and we are working on that with airline operators and the aviation industry generally.

As I said in my statement, the screening equipment manufacturers have done helpful work with the Government since the incident involving the plane to Detroit. I look forward to establishing a relationship with those manufacturers, along with my right hon. Friend the Secretary of State for Transport, as we address yet another issue.

Richard Graham (Gloucester) (Con): In the light of all that has happened recently, I thank the Home Secretary and the Government for making the difficult decision, in straitened times, to increase our overall spending on intelligence in order to combat terrorism. Will the Home Secretary join me in thanking my constituents who work down the road at GCHQ for the vital work that they do to protect our nation, and will she join me in encouraging our schools to make full use of the language immersion centre in Gloucestershire, which will be built soon and which will develop the skills in difficult languages that are so vital to our intelligence work?

Mrs May: My hon. Friend has raised an issue of which he has particular knowledge, but there is probably not much awareness generally of the need for people to be skilled in a large number of languages, including some that are not normally taught. I am happy to commend the work to which my hon. Friend has referred.

Valerie Vaz (Walsall South) (Lab): I thank the Home Secretary for her statement. As one of two Members who were born in Yemen, may I ask for an assurance that she will ask the Secretary of State for International Development to ensure that aid to that country continues at its current level?

Mrs May: As I have already said, my right hon. Friends the Secretary of State for International Development and the Foreign Secretary are very conscious of the role that they can play, and that aid can play, in supporting Yemen. We are working closely with the Yemeni Government to enable them to deal with the al-Qaeda threat that is faced not only by us from Yemen, but by them inside it.

Mr Tom Harris (Glasgow South) (Lab): As a country we are good at preventing the kind of attacks that we have already seen, but arguably less good at anticipating new forms of attack. Apart from the month-long ban on the carriage of printer cartridges, what bans are the security services considering imposing on items in carry-on luggage?

Mrs May: It is important that the Government have acted now to deal with the threat that we have seen, including the specific issue of printer cartridges. We will do further scientific work. As I said earlier, it is not always appropriate to give details, but I assure the hon. Gentleman that we are well aware of the need not just to respond to what has happened, but to be constantly alert in the future.

Kevin Brennan (Cardiff West) (Lab): This very disturbing incident coincided with press reports about a possible future fudge on the counter-terrorism review that the Home Secretary is undertaking, in order to meet the needs of some colleagues in the coalition. May I encourage the right hon. Lady to take the position attributed to her in the press and make sure that at all times she puts the protection of the British public ahead of any protection of her coalition partners?

Mrs May: I can assure the hon. Gentleman that the coalition Government as a whole are governing in the national interest, and that we are very conscious that the first task of government is to keep the public safe. As I have said, and as I also said earlier this afternoon in Home Office questions, no final decisions have been taken on the counter-terrorism legislation review, but at such time as they are taken they will, of course, be brought before the House.

Mr Speaker: I have been saving up the hon. Gentleman: I call Mr Paul Flynn.

Paul Flynn (Newport West) (Lab): Does this event not undermine the British Government's justification for continuing to demand that our brave British soldiers continue to risk their lives in Afghanistan—that that keeps Afghanistan free of terrorist camps—and ignore the fact that the terrorist threat is not the Taliban but al-Qaeda, which is free to operate in Pakistan, Yemen and Somalia?

Mrs May: I simply say to the hon. Gentleman that this is not a zero-sum game: it is simply not the case that if we are able to take action against a group of terrorists in one place they just move somewhere else and we then deal with them there. In recent months and years we have seen the sources of terrorist threats become more diverse. Our troops have been doing a remarkable job in Afghanistan with great courage—great bravery—in order to ensure that al-Qaeda is unable to regain a foothold in

[Mrs May]

Afghanistan. Al-Qaeda is, however, starting to operate from other parts of the world; that is the diversity of the threat, rather than simply an alternative one. I therefore say to the hon. Gentleman that it is right that we commend the important and vital work our troops have been doing in Afghanistan, but we must also be aware of the al-Qaeda threat growing in other parts of the world.

Mr Speaker: I am grateful to the Home Secretary and other colleagues for their co-operation.

Chi Onwurah (Newcastle upon Tyne Central) (Lab) *rose*

Mr Speaker: We were about to proceed to the main business, but not before we have had a point of order from Chi Onwurah.

Point of Order

5.17 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): On a point of order, Mr Speaker. Over the weekend there have been reports in the press that children's hospitals such as the Royal Victoria infirmary in Newcastle will face substantial cuts in funding. I have seen the work that is done, and I know how much concern there will be among parents and children. Will you, Mr Speaker, explain for the benefit of those not familiar with the ways of the House that any such announcement should take place on the Floor of the House, and will you ask the Minister with responsibility to come here and confirm those reports, or reassure us on them?

Mr Speaker: I am grateful to the hon. Lady for her point of order, although I am not sure that I will be able to satisfy her with my response to it. The form of Government announcements is a matter for the Government—that is to say, whether there is an oral or a written statement is a matter for Ministers to decide, not the Chair. I suspect that the hon. Lady will remain eagerly alert for any developments on this matter.

The second point I will make to the hon. Lady, which I hope she will forgive me for making, is that I have a sense that her attempted point of order will be communicated to either *The Evening Chronicle* or the *Journal* in Newcastle, or possibly both.

Parliamentary Voting System and Constituencies Bill (Programme) (No. 4)

5.19 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): I beg to move,

That the following provisions shall apply to the Parliamentary Voting System and Constituencies Bill, in place of paragraph 5 of the Order of 6 September 2010:

1. Proceedings on consideration shall be taken in the order shown in the first column of the following Table.

2. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

Proceedings	*Time for conclusion of proceedings*
Amendments relating to Clause 11.	7.30 pm on the first day.
Amendments relating to Clauses 12 and 13; Amendments relating to Clause 10; new Clauses and new Schedules relating to Part 2.	The moment of interruption on the first day.
Amendments relating to Clause 4; Amendments relating to Schedules 5 to 8; Amendments relating to Clause 8; remaining proceedings on consideration.	8.00 pm on the second day.

I will be very brief. I am grateful to those hon. Members who took part in our five days of lively and rigorous debate on the Bill in Committee, and I look forward to continuing that debate throughout Report and Third Reading. Some hon. Members have expressed concern that certain parts of the Bill were debated less than others in Committee. The Government still believe that five days was an appropriate length of time, and how some hon. Members chose to use the time is, of course, a matter for them, not the Government.

The Government are, however, keen to ensure that Members have further opportunity to debate all the Bill's provisions on Report, so the programme motion prioritises those provisions on which less time was spent in Committee. The motion provides that today's debate will be on clauses 11 to 13, which relate to the boundary proposals, with a knife after clause 11 to ensure that we do get on to discussing local inquiries and the decoupling clause for the Welsh Assembly. Tomorrow's debate will focus on the rules for combined polls and the issue of referendum thresholds. Third Reading will provide a further opportunity for Members to scrutinise and express their views on the Bill, as amended.

It was right that the Home Secretary came here today to make her very important statement about threats to our national security. That, of course, has necessitated the use of some valuable parliamentary time and I trust that all hon. and right hon. Members will agree that the time we have left is best used scrutinising the Bill and debating the issues of substance. I hope, therefore, that all hon. and right hon. Members will feel able to agree with the programme motion and that we shall move on to debating the Bill.

5.20 pm

Chris Bryant (Rhondda) (Lab): No, we disagree with the knives in this motion, and we made that absolutely clear when asked about it last week. We believe that allowing this amount of time today and tomorrow is inappropriate; we believe that it is inappropriate not to allow any specific time for votes, because it is the right of this House not only to debate but to vote on such matters; we believe that it is inappropriate in particular to have so little time tomorrow, when we will be dealing with 28 pages of Government amendments, not a single one of which is the result of discussions in Committee; and we think that it is inappropriate for no further time to be allowed today, particularly as we have had two, albeit important, statements. So we will be opposing the motion.

5.21 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): As a whole, the Bill is very significant for Wales—holding the alternative vote referendum on the same day as the National Assembly elections next May and introducing an equal electoral roll based on population quota for constituencies are both very damaging measures for Wales and democracy in our country. It is an insult that we were refused a Welsh Grand Committee debate on the Bill. Only one clause relates to Wales—it was clause 11, but it is now clause 13—and it deserves proper time for discussion in this Chamber. Specific time should have been allotted for its discussion—and not as an afterthought—because we probably will not reach it this evening. We should have had a proper debate on the clause for Wales, so we will be voting against the programme motion.

5.22 pm

Kevin Brennan (Cardiff West) (Lab): The time that has been given to debate the Bill overall is inadequate, as is the time set out in today's programme motion. The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) was absolutely right to point out the lack of time that has been granted to discuss the Welsh aspects of this Bill and, in particular, the intransigent refusal to grant any time to the Welsh Grand Committee process. That is leading to a "bring back John Redwood" campaign in Wales, because nobody can remember the right hon. Member for Wokingham (Mr Redwood) ever refusing any meeting with Welsh MPs or any meeting of the Welsh Grand Committee; I am sure that he would confirm as much himself.

Finally, this might have been an appropriate allocation of time for the Bill if it were not a Wallace and Gromit Bill, laying the track as we go along with hundreds and hundreds of Government amendments. Instead, the Bill should have been properly scrutinised in advance and should have been through a pre-legislative scrutiny process. For that reason, the time allocated and the knives in the programme motion are wholly inadequate.

Question put.

The House divided: Ayes 320, Noes 241.

Division No. 103] **[5.23 pm**

AYES

Adams, Nigel	Arbuthnot, rh Mr James
Afriyie, Adam	Bagshawe, Ms Louise
Aldous, Peter	Baker, Norman
Alexander, rh Danny	Baker, Steve
Amess, Mr David	Baldry, Tony
Andrew, Stuart	Baldwin, Harriett

Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffitns, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa

Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Philip Dunne and Mark Hunter

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David

Tellers for the Noes:
Mr David Hamilton and Angela Smith

Question accordingly agreed to.

Parliamentary Voting System and Constituencies Bill

[Relevant documents: First Report from the Welsh Affairs Committee, The implications for Wales of the Government's proposals for constitutional reform, HC 495; Third Report from the Political and constitutional Reform Committee, Parliamentary Voting System and Constituencies Bill, HC 437, and oral evidence taken before the Committee on Thursday 15 July on the Coalition Government's programme of political and constitutional reform, HC 358-i.]

[1st Allocated Day]

Consideration of Bill, as amended in the Committee

Clause 11

Number and distribution of seats

5.38 pm

Chris Bryant (Rhondda) (Lab): I beg to move amendment No 9, in page 9, leave out lines 13 to 20 and insert—

1A (1) No constituency shall have an electorate more than 5 per cent. above or below the electoral quota for that part of the United Kingdom unless the Boundary Commission concerned believes there to be overriding reasons under the terms of these rules why it should.

(2) No constituency shall have an electorate more than 10 per cent. above or below the electoral quota for that part of the United Kingdom.

(3) In this Schedule "the electoral quota for that part of the United Kingdom" means—

$$\frac{U}{Y}$$

where U is the electorate of that part of the United Kingdom minus the electorate of the areas mentioned in rule 5A and Y is the number of constituencies in that part minus the number of constituencies allocated within that part as a result of the operation of rule 5A.'.

Mr Deputy Speaker (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment 185, page 9, leave out lines 14 and 15 and insert—

(a) no more than 5% above or below the United Kingdom electoral quota unless the Boundary Commission concerned believes there to be exceptional geographic circumstances, and

(b) no more than 15% above or below the United Kingdom electoral quota.'.

Amendment 200, page 9, line 14, leave out 'United Kingdom electoral quota' and insert 'electoral quota for the part of the United Kingdom (England, Wales, Scotland or Northern Ireland) in which the constituency is located'.

Amendment 2, page 9, line 16, after '6(2)', insert ', 6A(2)'.

Amendment 201, page 9, line 16, leave out ', 6(2) and 7' and insert 'and 6(2)'.

Amendment 202, page 9, leave out lines 17 to 20 and insert—

'(3) In this rule "electoral quota" means

$$\frac{U}{C}$$

where U is the electorate of the part of the United Kingdom in which the constituency is located, reduced in the case of Scotland by the electorate of the constituencies mentioned in rule 6, and C is the number of constituencies allocated to that part under rule 8.'.

Amendment 182, page 9, leave out lines 18 to 20 and insert—

$$\frac{U}{(600\text{-}C)}$$

where U is the electorate of the United Kingdom minus the electorate of the Council areas mentioned in rule 6 and C is the number of constituencies allocated to these Council areas.'.

Amendment 184, page 9, line 20, at end insert

'and accordingly the electorate of each part of the United Kingdom shall be treated for the purposes of this rule as reduced by the electorate of those constituencies.'.

Amendment 10, page 9, leave out lines 27 to 34.

Amendment 186, page 9, line 30, leave out from 'if' to end of line 34 and insert

'the Boundary Commission is concerned that unusual geographical considerations, including in particular the size, shape and accessibility of a proposed constituency, would require an unreasonable amount of time to travel round the various communities within it.'.

Amendment 188, page 10, line 2, leave out 'A Boundary Commission' and insert

'The Boundary Commissions for England, Scotland and Wales.'.

Amendment 11, page 10, line 10, at end insert—

'(1A) A Boundary Commission shall ensure that—

(a) in England, no district or borough ward shall be included in more than one constituency;

(b) in Northern Ireland, no local authority ward shall be included in more than one constituency;

(c) in Wales, no unitary authority ward shall be included in more than one constituency;

(d) in Scotland, regard shall be had to local authority ward boundaries.

(1B) The Boundary Commission for England shall where practicable have regard to the boundaries of counties and London boroughs; and in any case no constituency shall include the whole or part of more than two counties or London boroughs.

(1C) The Boundary Commission for Wales shall where practicable have regard to the boundaries of unitary authorities; and in any case no constituency shall include the whole or part of more than two unitary authorities.'.

Amendment 193, page 10, line 10, at end insert—

'(1A) The Boundary Commission for Northern Ireland may take into account to such extent as they think fit—

(a) special geographical considerations;

(b) considerations arising from the co-terminosity of parliamentary constituencies and multi-member constituencies for the Northern Ireland Assembly under the Northern Ireland Act 1998;

(c) local government boundaries as they exist on the most recent day of an election for any district council, other than an election to fill a vacancy;

(d) any local ties that would be broken by changes in constituencies;

(e) the inconveniences attendant upon such changes.'.

Amendment 196, page 10, line 10, at end insert—

'(1A) A Boundary Commission shall have power to specify, in certain specified circumstances set out in subsection (1C) below, that constituencies in areas determined by the Boundary Commission shall be—

(a) wholly within a principal local authority or authorities; or

(b) wholly within well-established historic or geographical boundaries.

(1B) The impact of any decision taken in respect of areas defined under subsection (1A) must not create constituencies

within the remainder of the region or nation in which such areas fall which fail to meet the rules in this Schedule.

(1C) The coterminosity of parliamentary constituencies with boundaries as defined in subsection (1A) may be specified when the following support such a proposition—

(a) the principal local authority or authorities within the area proposed;

(b) all sitting Members of Parliament representing constituencies wholly or partially within that area; and

(c) at least two-thirds of all civil parish, community and town councils or parish meetings within that area who make a representation;

and where the Boundary Commission is satisfied, from its own soundings amongst the electorate and the business and voluntary sectors, that such a proposal is widely supported.'.

Amendment 207, page 10, line 16, at end insert—

'(2A) The Boundary Commission for England shall take into account counties as listed in Schedule 1 to the 1997 Lieutenancies Act in so far as is possible in accordance with rule 2 above.'.

Amendment 12, page 10, line 17, leave out sub-paragraph (3).

Amendment 13, page 10, leave out lines 18 to 24 and insert—

'Specified areas

5A (1) The following shall be allocated whole numbers of constituencies by whichever Boundary Commission is responsible for them:

(a) Orkney Islands and Shetland Islands council areas;

(b) Comhairle nan Eilean Siar council area;

(c) The Isle of Anglesey county area;

(d) The Isle of Wight county area;

(e) The County of Cornwall and Isles of Scilly council areas.'.

Amendment 183, page 10, leave out lines 18 to 25 and insert—

'Whole numbers of constituencies

6 (1) The following shall be allocated whole numbers of constituencies by whichever Boundary Commission is responsible for them—

(a) Orkney Islands and Shetland Islands council areas;

(b) Comhairle nan Eilean Siar council area;

(c) the Cyngor Sir Ynys Môn Isle of Anglesey county area;

(d) the Isle of Wight county area;

(e) the County of Cornwall and Isles of Scilly council areas;

(f) the Highland Council area;

(g) the Argyll and Bute Council area.

(2) The number of constituencies to be allocated to each area shall be determined by dividing the electorate of the area or areas concerned by the United Kingdom Electoral Average and rounding to the nearest whole number, unless this would mean that rule 4(1) could not be satisfied, in which case the area concerned will be allocated the smallest number of constituencies required in order to satisfy that rule. Each area must be allocated at least one whole constituency.

(3) In this rule "United Kingdom Electoral Average" means (where E is the electorate of the United Kingdom)—

$$\frac{E}{600}$$.'.

Amendment 1, page 10, line 25, at end insert—

'Isle of Wight

6A (1) All parts of the Isle of Wight must be included in a constituency which is wholly in the Isle of Wight.

(2) Rule 2 does not apply to any such constituency.'.

Amendment 4, page 10, line 25, at end insert—

'Cornwall and the Isles of Scilly

6A (1) All parts of Cornwall and the Isles of Scilly must be included in a constituency which is wholly in Cornwall and the Isles of Scilly.

(2) Rule 2 does not apply in relation to any such constituencies.

(3) The electorate of any constituency in Cornwall and the Isles of Scilly shall be:

(a) no less than 95 per cent. of the Cornwall and Scilly electoral quota; and

(b) no more than 105 per cent. of that quota.

(4) The "Cornwall and Scilly electoral quota" means C/E where C is the electorate of Cornwall and the Isles of Scilly and E is the number of parliamentary constituencies which the Commission has determined should be allocated to Cornwall and the Isles of Scilly.

(5) The number of Parliamentary seats allocated to Cornwall and the Isles of Scilly shall not result in the electoral quota of any other constituency being compromised in respect of Rule 2.'.

Amendment 189, page 10, line 26, leave out from beginning to end of line 7 on page 11.

Amendment 192, page 10, line 27, leave out from 'Ireland' to end of line 7 on page 11 and insert—

' the Boundary Commission for Northern Ireland shall establish a Northern Ireland electoral quota by dividing the electorate of Northern Ireland by the number of seats allocated to Northern Ireland as determined under rule 8.

'(2) The electorate of any constituency in Northern Ireland shall be no less than 95% of the Northern Ireland electoral quota and no more than 105% of the Northern Ireland electoral quota except where sub-paragraph (3) applies.

(3) Where the Boundary Commission consider that they can best have regard to factors in rule 5(1A) and achieve an appropriate allocation of the seats assigned to Northern Ireland under rule 8 they may recommend that some Northern Ireland constituencies may be outside the limits in paragraph 2 above, provided that they are not less than 95% of the United Kingdom electoral quota and no more than 105% of that quota.'.

Amendment 14, page 11, line 22, at end insert—

'(5) The total number of seats to be allocated to any country shall not be more than 10 per cent. above or below the current number of constituencies. If the number of seats allocated by the process described in paragraphs (3) and (4) exceeds or falls below that limit then additional or fewer seats shall be allocated as appropriate sufficient to bring the allocation within 10 per cent. of the current number of seats in the country concerned.

(6) This adjusted number of seats shall be the allocation for that country for the purposes of these rules.'.

Government amendments 220 and 221.

Amendment 204, page 12, line 10, leave out 'The United Kingdom'.

Government amendment 21.

Chris Bryant: The Government's rhetoric suggests that all parliamentary seats should have exactly the same size of electorate, but that is not what the Bill says. It allows for a variation of up to 5% either way from the national average and creates three special exemptions for Scottish seats, one of which is held by the Scottish National party and the other two of which are held by the Liberals. We are not opposed to those exemptions, although they look dubious in the context of the Bill's wider attempt to strive for mathematical purity.

[Chris Bryant]

Our argument is that although the majority of seats should indeed be within 5% each way, there are more instances than are allowed for in the Bill where the Boundary Commission should be allowed to exercise a degree of discretion, because this country is made up not just of statistics on a map but of living communities with distinct historical, cultural and political identities that need their discrete representation in the House. A system that delivers mathematical perfection may be aseptically clean, and please the tidy utilitarian and the centralist, but it will in countless cases leave voters on the wrong side of a river, a mountain, a county or ward boundary, or cultural divide and, thereby, fail the fundamental tests that we should be setting.

Will those boundaries be readily comprehensible to ordinary voters? Will they match the political and cultural aspirations of the discrete communities of the UK? Will they render Members more or less accessible? Frankly, will they look like common-sense boundaries or seem like crazed contortions devised by a centralised desiccated calculating machine? The Government are not just insisting on their mathematical equation, of course; they are also subordinating any other considerations of whatever kind, such as local authority boundaries, to that calculation. Taken together, those measures will lead to ludicrous anomalies.

Let us consider how some instances would have applied at the last election. Wyre Forest is, quite sensibly, coterminous with its district council, but it would have had 2,131 too many electors for the 5% rule. Likewise, Shrewsbury and Atcham is coterminous with the former district of that name and unchanged after a number of reviews, but it would have had 1,552 too many electors. Bath and North East Somerset council includes two constituencies, Bath and North East Somerset, but it would have had to find 1,886 electors from a neighbouring authority. Even Forest of Dean, comprising the Forest of Dean district council and one ward from Tewkesbury district council, a seat that was completely unchanged at the last review, would have been 383 voters short. That is why we want to change the Bill.

In many cases, it would be impossible to respect county boundaries. At the last election, Cumbria would have had to find 14,296 electors from neighbouring counties in order to make up its six seats. Northumberland would have had to find 22,529 electors for four seats. Warwickshire's six seats—Kenilworth and Southam, North Warwickshire, Nuneaton, Rugby, Stratford on Avon and Warwick and Leamington—would have needed to find 7,991 electors.

Mr Mark Field (Cities of London and Westminster) (Con): How many electors would Wales have had to find to make up its full quota of 40 seats, which the hon. Gentleman would like to maintain?

Chris Bryant: A very large number, but I am not arguing against greater parity, as I hope I have made clear on several occasions during the Bill's proceedings. However, I am also not in favour of one area of the country having its representation in this House cut by 25%—four times more than any other part of the United Kingdom. That seems to be a swingeing cut, and it will do no good for representation in this House.

The six seats in Oxfordshire would, on average, have been 1,907 electors over the threshold, so approximately 11,000 Oxfordshire electors would have needed to be shed so that they were in a constituency that was shared with a neighbouring county. Indeed, part of the Prime Minister's own constituency, including the Saxon village of Burford, might have had to be shifted to Gloucestershire. Even Burford priory, the house of civil war Speaker Lenthall, would have had to be summarily moved from Oxfordshire to Gloucestershire.

In Hampshire, because the rules will not allow Isle of Wight to remain a single seat, the county would have been required to provide 40,000 electors from one or perhaps two of its existing seats. Most significantly, the historic county of Cornwall and the Isles of Scilly would have had to find 13,138 electors, or an average of 2,190 per constituency, from Devon to make up the number for six seats. I believe that to be wrong. King Athelstan determined as early as 936 that the east bank of the River Tamar should be the border of Cornwall, and, although it may be true, in the words of the Prime Minister, that the Tamar is not the Amazon, it certainly is the Rubicon—a river not worth crossing.

The same is true of metropolitan areas. Warrington would have had 119 too many electors for two seats—an average of 59 per seat. The five seats in Birmingham, each comprising four wards and with electorates of between 73,731 and 75,563, would have been slightly too large and would have had to shed voters elsewhere. In London, Wandsworth would have had 3,427 electors too few for its three seats, Sutton would have had 1,119 too few electors for its two seats, Barnet would have had 371 too many electors for its three seats, and Enfield would have had 219 too few electors for its three seats.

5.45 pm

Fiona Mactaggart (Slough) (Lab): My hon. Friend is talking about the number of seats within a larger boundary area. I am based in Berkshire, and Slough is very different from the rest of the county. We are one of Berkshire's unitary authorities. If the number were calculated on the basis of the whole of Berkshire, there would be a serious risk that the community of Slough—which is nothing like the community of Windsor and Maidenhead; that is felt by both communities—would be muddled up. I am worried that in his very powerful peroration he is not sufficiently focusing on the cultural differences between different areas in the same county boundary.

Chris Bryant: I have not got to my peroration yet—this is just the beginning—but I am grateful to my hon. Friend for her comments. She is absolutely right. My whole argument is that some of the historical boundaries also represent historical cultural identities. We cannot just draw the lines on the map according to the numbers as if people were just statistics: we have to draw them in recognition of the communities and bonds that tie people together.

Mr Mark Field: Will the hon. Gentleman give way?

Chris Bryant: I will, but I do not want to take up too much time.

Mr Field: Does the shadow Minister recognise that this is the self-same argument that was made, probably in this House, some 170 years ago, in the run-up to the

Great Reform Act of 1832, to justify the idea of the cultural importance of maintaining all the seats in Cornwall and Suffolk that had existed since time immemorial? It is a nonsensical argument, and we now have to look towards equality. I disagree with him in that I would like to see the three Scottish seats also taken out of this consideration to ensure that we have the proper equalisation of all 650 seats that should exist in the next Parliament.

Chris Bryant: The hon. Gentleman should not try to misrepresent my argument. I am not arguing in the slightest for tiny seats. I am not even arguing that the people of Rhondda alone have the right to elect in perpetuity, even though they have only 50,000 voters. There should be much greater parity, but we need to be able to balance the needs of parity with the needs of local communities and constituencies of interest that exist around the country. There was no constituency of interest in Old Sarum in 1831 and 1832—the only interest was that of Tory Back Benchers who wanted to ensure that they were still able to dole the seat out to one of their family members. So it is an argument not against Labour but against the Conservatives.

Sheffield will almost certainly be entitled to five constituencies, but with 20 wards it would end up with three constituencies of six wards, which would be too big, and two constituencies of five wards, which would be too small. We would therefore have to split wards in Sheffield or cross the boundaries with Barnsley and Rotherham, which would be tough, as wards in Rotherham are about the same size as those in Sheffield and there are a large number of hills in the way. In the words of Professor Ron Johnston,

"They are going to have to split wards, I have no doubt about this."

Angela Smith (Penistone and Stocksbridge) (Lab): Under these proposals, it is perfectly possible that one of the wards in my constituency, East Ecclesfield, could end up being split into three parts, with one part going into the seat of Wentworth and Dearne, one part into Brightside, and one part into my seat.

Chris Bryant: My hon. Friend is absolutely right. The wards in some metropolitan areas comprise 15,000 or 20,000 voters. Consequently, if the Government push ahead with their proposed 5% leniency either way rather than the 10% that we are advocating, they will have to split wards. Contrary to what the Deputy Leader of the House said last week, and what the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper) has said, there is not a single ward in England that is split between constituencies—not one. *[Interruption.]* The latter is chuntering very quietly, but now he is looking at his phone, so I presume he has given up on that point. He can pipe down.

The end result is that it will become impossible for wards to be used as building blocks, as they currently are without exception in England despite the fact that it is not a requirement of the rules. Voters will have to become psephological experts to know who represents them at each level of government—their councillor, their Member of Parliament and their representatives at other tiers in Scotland, Wales or Northern Ireland. Historical communities and towns will be split for negligible benefit, and because of the knock-on effects there will have to be a radical redrawing of virtually every seat in the land.

Mr Mark Field: Will the hon. Gentleman give way?

Chris Bryant: I will not give way to the hon. Gentleman a third time, if he does not mind. We have very little time for this debate.

My final point is very important. The proposed reduction in the number of Members of Parliament will have the effect of increasing the electoral quota in all four countries, even England, where it will go up from 71,537 to roughly 75,800. Just 204 current constituencies have electorates within 5% of that number. The knock-on effects, however, mean that it is likely that barely a handful of seats will remain untouched. That was confirmed by the heads of the boundary commissions, who told the Select Committee on Political and Constitutional Reform that the change would result in a complete redrawing of constituency boundaries.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Is my hon. Friend aware that because of the totalising nature of the reforms, Professor Johnston said in his evidence to the Political and Constitutional Reform Committee that this was exactly the wrong point at which to abolish public inquiries?

Chris Bryant: My hon. Friend, who is on the Committee, makes a very valuable point. It was made very clear to the Committee, even in the short time that was allowed it to produce its report, that it would be ludicrous to get rid of public inquiries at this time, when so many changes would be coming up.

The complete redrawing of virtually every seat in the land will mean not just reselections but new selections for candidates around the country. More than one Conservative MP has already told me that the Conservative Whips have made it absolutely clear to them that if they do not toe the line, the party leadership will make it impossible for them to be selected under the new boundaries. What price accountability then? What price new politics, eh?

That is why our amendment 9 would provide that the vast majority of constituencies would indeed fall within the 5% rule, but that the boundary commissions should be allowed a wider degree of latitude where they believe there to be an overriding concern, up to a fixed limit of 10%. That 10% is actually the difference between the constituency of the Parliamentary Secretary and that of the Deputy Leader of the House.

Our amendment 13 would make explicit provision for a whole number of seats for Cornwall and the Scilly Isles, for Anglesey and for the Isle of Wight. Amendment 11 would determine that wards could not be split between constituencies, and amendment 12 would mean that factors such as local boundaries could be considered without subordination to the 5% rule, but not going further than the 10% rule.

This country is not a Rubik's cube devised by a mathematician, it is a complex jumble of communities. Some live in inconvenient numbers in inconvenient places that cannot be readily and symmetrically delineated in equal numbers. I am not defending the right of the

[Chris Bryant]

Rhondda or anywhere else to its own seat in perpetuity. We need greater parity, and that will mean the amalgamation of seats in many areas, but let us not create so crude a system that 383 voters have to be found for the Forest of Dean or 59 expelled from Warrington. Let us not create such a centralised system that the idiosyncrasies of the towns, villages, islands and cities of this land cannot find their voice in this House.

Mr Charles Kennedy (Ross, Skye and Lochaber) (LD): I say in a genial way what a pleasure it is to follow the hon. Member for Rhondda (Chris Bryant)—it is, a pleasure because, by definition, if I am following him, he must have stopped speaking for once. He has been difficult to avoid over the past two or three weeks in debates on the Bill, and, it seems, everywhere else. I got home on Thursday and there he was in Glasgow on "Question Time".

Having said that, we have great sympathy with many of the principles that the hon. Gentleman enunciated. I wish to confine my remarks to amendments 182 to 184, which go together. We will seek to press amendment 183 to a vote if the opportunity arises in due course. The amendments are in my name and those of hon. Friends, all of whom are present.

I wish to speak to the amendments to add to the comment that I made when the Deputy Prime Minister made the initial statement about this whole business. I feel that it is incumbent upon me to say a word or two, as my constituency has been put up in lights as some kind of benchmark, albeit that the lighting has been somewhat distorted and much misunderstood. I wish to clarify the matter and refer to the implications that flow from it.

Over the past 27 years, my constituency has been geographically the largest in the United Kingdom. It was the largest when it was formed in 1983, and some 10 years later, at the time of the boundary changes for the 1992 election, it remained the largest and became larger. At the last general election, it remained the largest and became larger yet again. I have looked back at one representation made to the Boundary Commission about that trend and about the sheer size of what became the Ross, Skye and Lochaber constituency, and indeed I made the same point myself at the hearings on the boundary change. Although I did not oppose the proposals to increase the size of the constituency—one never wants to oppose the inclusion of communities where one might find oneself having to go to seek support—I felt that the increase was impractical and would create unique challenges, as I diplomatically put it, for whoever represented the seat.

I shall be quite honest with the House: having represented three such vast constituencies over the course of nearly 30 years now, I can say that the current one is by far the most impractical. It has to be said that the other two were gigantic and posed particular problems, but there comes a point at which geographical impracticality sets in and nobody can do the job of local parliamentary representation effectively. I would say that point has now been reached. It is no exaggeration to say that I can drive for five solid hours within the boundaries of the constituency, simply between point A and point B, to carry out one engagement, and then have to drive five hours back. That is just insane.

Ian Lucas (Wrexham) (Lab): The right hon. Gentleman referred to hearings that took place following the latest boundary review. Does he agree that one of the most pernicious aspects of the Bill is that those hearings will no longer exist? The very worthwhile, and I am sure powerful, representations that were made in his community will be denied the rest of us.

Mr Kennedy: I absolutely agree and endorse entirely the sentiment and substance of what the hon. Gentleman says. I think it represents a negation of democracy to go about something so fundamental in this way.

I will explain specifically what we propose in the amendments. There are a range of options, as we all know, and nobody has the philosopher's stone. However, the Government are trying to introduce the artificial construct of a capped number of constituencies for the whole UK. Leaving aside party politics, I think the House would agree that there are distinct and unique geographical considerations in places such as the Isle of Wight, in Cornwall, with its relationships between places on each side of the Tamar, and in the highlands and islands, a vast area that is bigger than Belgium. I think the House recognises that in such circumstances, a degree of sensible flexibility is called for. This is not gerrymandering; in fact the seats that tend to be involved could not be gerrymandered in a political sense, because they are not those kinds of communities. Largely because of their sheer disparity and diversity, the individual who happens to be their Member will, irrespective of their party affiliation, represent a significant link between those communities and officialdom at the regional, national and even European level. That is being dissipated and completely overlooked in the crazy approach that is being applied, which simply is not suitable and does not make sense given the communities involved.

6 pm

Mr David Hamilton (Midlothian) (Lab): Given that we are not going to be partisan, does the right hon. Gentleman agree that the Scottish borders are unique? It would be ridiculous to talk about Midlothian moving down to take in Peebles and Galashiels or West Lothian moving down to take in the borders. Historically, our areas have had nothing in common, and it would not make sense to make such changes now.

Mr Kennedy: Yes, I agree completely with the hon. Gentleman. In a moment of political frustration when he was Prime Minister of Canada, Mackenzie King said that the problem with Canada was that it had too much geography and not enough history. If anything, we have more than our fair share of both in Scotland, and that certainly comes through in considerations of the type that the Bill gives rise to. That is why the hon. Gentleman's point about his part of the country is very valid.

Time is tight, and I do not wish to detain the House much longer. I want to stick to principles rather than becoming formulaic. Indeed, I have far better versed colleagues on hand, who can provide chapter and verse and who would leave the rest of us goggle-eyed with their statistics and equations—all of which I endorse, I hasten to add. I am always at my best in politics in such situations. The less one understands the issue, the more confident one can sound—witness the shadow Minister tonight.

Looking at the proposals, it makes eminent sense that the Western Isles are, and should be, a distinct, unique constituency. I remember growing up when the Western Isles constituency was bisected and was answerable partly to Dingwall and partly to Inverness. That was an absolutely atrocious affront to democracy for the communities there. It is a good thing that we have a unique, distinct constituency now, and I am pleased that it will stay that way.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): May I remind the right hon. Gentleman that the council in north Lewis was Ross and Cromarty, while from Harris southwards was involved with Invernessshire? He is absolutely correct that it was a nightmare, and people still talk about it because there was a lack of accountability—as he said, people on the mainland and officialdom could not be reached.

Mr Kennedy: I very much agree. A similar argument applies to the northern isles, and it is absolutely correct that these respective entities have been recognised in the Bill. That is why what is proposed for the Isle of Wight is such an affront. Although the numbers there are huge compared with the island communities that some of us represent, the sense of a natural, distinct identity in the Isle of Wight should surely be reflected in the attitude that officialdom takes. I do not claim to speak with insight for the people of the Isle of Wight, but if that is what people want—representing island communities such as Skye, I can well understand where they are coming from—who are we to pass legislation that thwarts them before they have even got off the starting block in making their argument?

Kevin Brennan (Cardiff West) (Lab): Do not the right hon. Gentleman's amendments, which specify particular communities, whether Na h-Eileanan an Iar or Ynys Môn in Scotland and Wales respectively, show that the sensible, really flexible way forward would be to leave detailed considerations to the Boundary Commission and to give it the flexibility to act, rather include in the Bill specific communities that are to be protected? That is the difference between the limited approach taken by the Government and the extended approach taken by the right hon. Gentleman.

Mr Kennedy: That is a very good suggestion, and I am pleased that Labour Front Benchers are nodding in agreement. That suggestion is contained in the group of amendments tabled by my hon. Friends and me, which I mentioned.

In the Isle of Wight, in particular, there has been considerable uproar about these issues. The uproar is yet to come on the mainland highlands of Scotland, but when it does—I say this in all seriousness and I do make a party political point here— generation upon generation of communities that have stuck with the flame of Liberal tradition and history in the United Kingdom through thick and thin, when it has been all but extinguished in many other parts, will absolutely fail to comprehend why Liberal Democrats in government have put their name to such a measure, which takes no account of the very special peripheral circumstances of communities that have helped to maintain the Liberal cause over generations.

It is never too late for Governments to think again. This Government should think again, and my colleagues and I will divide the House to encourage them to do just that.

Paul Murphy (Torfaen) (Lab): It is an enormous privilege to follow the right hon. Member for Ross, Skye and Lochaber (Mr Kennedy). I have always had great admiration for him, as he knows, but the points that he has made about the Government's intransigent and hard-line views are extremely refreshing and, if I might say so, devastating. He rightly goes to the heart of our democracy. At the end of the day, it is the relationship between the Member of Parliament and his or her constituents that, in many ways, identifies British parliamentary democracy. The drift towards an American-style district, which is purely based on numbers and not on communities themselves, is an attack on the very basis of our democracy in the United Kingdom.

The right hon. Gentleman rightly points, as we can in Wales, to the preposterous anomalies that will result from the Government's policy if it is allowed to continue. There will be enormous constituencies in Wales, just as there will be in Scotland. One constituency might even stretch from the south Wales valleys to Wrexham. It would perhaps not take five hours to drive from one end to the other, but it would certainly take three hours—[Hon. Members: "Five."] It depends how fast one drives, I suppose. I take my hon. Friends' point, and they make it very properly—it is a long way from one part of Wales to the other.

I have had the privilege of representing a south Wales valley for 23 and a half years in this place, and the valleys of Wales are very distinct. Our communities run north and south, not east and west. Dismembering those valleys or including them with others will make complete nonsense of the community basis of our constituencies, whether in Wales and Scotland, or, indeed, in Cardiff, which the hon. Member for Cardiff North (Jonathan Evans) will undoubtedly now talk about.

Jonathan Evans (Cardiff North) (Con): The right hon. Gentleman talks about the history of the valley communities, but he may recall that when Aneurin Bevan was elected to the House in 1929, he represented three valley communities, not one or two. The right hon. Gentleman is over-stressing his point a little.

Paul Murphy: I cannot actually remember the time when Aneurin Bevan was in the House of Commons, but he is still my great hero. However, the hon. Gentleman knows that the situation he describes was exceptional because of the heads of the valleys situation, and he knows my point is valid. Our local authorities in south Wales are based on valleys, and our constituencies are based on valleys. However, the point is that our constituencies are also based on communities. What Government in their right mind could think that the Isle of Wight could be anything other than a constituency? The rigidity with which the Government are dealing with these issues is beyond belief.

I want now to talk to amendment 14 and to raise the business of Wales in so far as it is represented in the House of Commons. I had the great privilege of being Secretary of State for Wales on two occasions. The fact that I held that office at all was a recognition by our

[Paul Murphy]

constitution that there should be territorial Secretaries of State—for Northern Ireland, Scotland and Wales. There is machinery in the House of Commons for dealing with Welsh and Scottish matters, although I must tell the Wales Secretary, who is in the Chamber, that the refusal to hold a Welsh Grand Committee on this issue is a disgrace. When I was Wales Secretary, I held 22 Welsh Grand Committees—we debated anything that the people of Wales wanted their public representatives to debate, whether they were Conservative, Liberal, Plaid Cymru or Labour.

Chris Ruane (Vale of Clwyd) (Lab): Why does my right hon. Friend think the Wales Secretary has not held a Welsh Grand Committee?

Paul Murphy: I have not the slightest idea other than that the Secretary of State wants to avoid a debate or the difficult questions that might be raised. The constitutional aspects of the Welsh Grand Committee will be debated elsewhere in the House this week. Wales Members have taken the unusual step of calling a meeting of the Welsh parliamentary party, which was established in the later part of the 19th century—it represents all Wales MPs. It will meet under the chairmanship of my right hon. Friend the Member for Cynon Valley (Ann Clwyd) on Wednesday as an alternative to the Welsh Grand Committee, but we should never be in this position in the first place. I think the Secretary of State, for whom I have great regard, has caused more trouble by not allowing debate in the Grand Committee.

The House of Commons has special machinery for dealing with Wales business, but taking 25% of our Members of Parliament away goes completely against the devolution settlement that was voted for by the people of Wales in 1997. That settlement is that we should have not only an Assembly, but proper representation by Members of Parliament from Wales. We certainly should not have less representation than we had in 1832, when it was established that there would be 35 Members.

The Minister represents the Forest of Dean, which is a distinct community—it has historically been represented by Labour Members, but not since the previous Parliament. The miners there would have recognised, because they understood such issues, that there is a special case in Wales, Northern Ireland and Scotland for smaller nations to be represented in the UK Parliament. Such representation guards the interests of the people of Wales, Scotland and Northern Ireland. The Government, from the Wales Secretary to the Minister who is here today, the Deputy Prime Minister and the rest of their colleagues, have singularly failed to understand that that representation, if nothing else, guarantees the Union, because Wales is properly represented as a small nation.

I am not a Welsh speaker but I very much respect those who are. Some 21% of the people in Wales speak Welsh as their first language. The Welsh Affairs Committee heard that minorities in European countries are properly represented in their Parliaments. That should also apply to Welsh speakers, but under the proposals, Welsh speakers will be less well represented in Welsh constituencies than now.

The Government have been terrible on this matter. Wales has suffered in other respects, including from the cuts, but it has suffered very badly because the Government have not understood the nature of the Union. They are supposed to be the great Unionists, but they threaten the Union by taking a quarter of Wales MPs away.

Albert Owen (Ynys Môn) (Lab): Does my right hon. Friend agree that it was not Members of Parliament who decided the minimum number of seats for Wales in this place but the Speaker's Conference? We have been denied a debate on the current reforms in the Welsh Grand Committee, but is it not logical to debate changing the number of seats after a referendum on greater law-making powers for the National Assembly for Wales?

Paul Murphy: Of course.

Another aspect of the Bill is the Government's singular failure to consult the First Ministers for Wales, Northern Ireland or Scotland. Had they held proper consultations on the Bill, it could have been different, but there has been no pre-legislative scrutiny, and the Welsh and Scottish Affairs Committees have condemned the Government for their lack of scrutiny.

Dr Hywel Francis (Aberavon) (Lab): My right hon. Friend makes a strong point. Does he agree that the excellent report published last week by the Welsh Affairs Committee is an indication of the strength of feeling in Wales that he describes, because it was a unanimous report?

Paul Murphy: Indeed—the Chair of the Committee is my neighbour, the hon. Member for Monmouth (David T. C. Davies). The Committee's report condemns the Government for how they have dealt with this matter.

6.15 pm

Ms Louise Bagshawe (Corby) (Con): The right hon. Gentleman is making an astonishing argument. Does he not understand that the preservation of the Union will be best served by remedying the democratic deficit and allaying the anger that voters in England feel because they are under-represented compared with voters in Wales and Scotland?

Paul Murphy: Absolutely to the contrary. The Union is protected because it recognises the different parts within it—whether Wales, Scotland or Northern Ireland. Devolution has strengthened the Union, but it will be weakened by these proposals, because the Bill fundamentally goes against the concept of the representation of smaller nations within a United Kingdom.

Mr Nigel Dodds (Belfast North) (DUP): The right hon. Gentleman served with great distinction as Secretary of State for Northern Ireland as well as Secretary of State for Wales. He makes a valid point. At the times of the Belfast and St Andrews agreements, it was clear that part of the settlement was that there should be no question of any change in the representation of Northern Ireland in the House. That was never raised as an issue, because everyone was agreed and settled on it. That was the basis on which devolution took place.

Paul Murphy: The Government have ripped up that settlement, as they have ripped up the devolution settlements in Wales and Scotland.

Mr Denis MacShane (Rotherham) (Lab): My right hon. Friend makes a powerful case for Wales, but the proposals affect many communities in England. My small town of Rotherham, which has three MPs, would rather affiliate or fuse with the Western Isles or Wales than have anything to do with Sheffield. There will be huge anger, concern and distress if we are reduced to American-style districts with boundaries rejigged to suit the Government. They talk of a democratic deficit, but they are destroying the traditions of this House of Commons for England, Wales, Scotland and Northern Ireland.

Paul Murphy: I entirely agree with my right hon. Friend. I would not want to come between Sheffield and Rotherham Members, but I understand his point. The Bill is a two-pronged attack on our parliamentary traditions. On the one hand, it reduces the link between a Member of Parliament and his or her constituency and the community that that constituency represents; and on the other, the Government's policies on Wales, Scotland and Northern Ireland threaten the very integrity of the Union.

Angela Smith: I should like to put on record the fact that Sheffield would love to absorb Rotherham constituencies. Sheffield's much greater fear is that it will end up sharing constituencies with Derbyshire or West Yorkshire or, God forbid, even Leeds.

Paul Murphy: Again, I would not want to interfere in Yorkshire traditions.

Mr MacNeil: Does the right hon. Gentleman agree that the 88-year-old state of the United Kingdom is a very unbalanced Union? Some 8% to 10% of Members are from Scotland, and there is a percentage of MPs from Wales. However, if the UK were a proper union between nations, the percentage would be more equal between the constituent parts rather than grossly imbalanced. For the record, I would prefer it if Scotland needed to send no one down here, but this 88-year-old state is unbalanced.

Paul Murphy: I am sure the hon. Gentleman will agree that whatever his ideal, he is against a reduction in the number of Scotland and Wales MPs to represent Scottish and Welsh interests in the House.

Mrs Eleanor Laing (Epping Forest) (Con): I have listened carefully to the right hon. Gentleman. I totally agree with him, and nobody is a fiercer Unionist than I am, but the way to preserve our United Kingdom is to show equal respect to all parts of it, meaning every little corner of every country in the UK. How can he argue that one Member of Parliament should come to the House with a greater weight of votes behind them than Members from other parts of the UK? That is not fair and it is not equal.

Paul Murphy: Is the hon. Lady not aware that many countries, including the United States and Spain, have proper representation of minorities and countries within countries in a very special way? But I suppose that some Members from England would not understand that.

Chris Ruane: My hon. Friend gave some excellent international examples. Is there any danger that those countries will be copying this Tory model in revised constitutions?

Paul Murphy: I very much doubt it. The whole point is that the Government have handled the matter atrociously. At the end of the day, this is not about better democracy; frankly, it is about the fortunes of the Conservative party. In taking that approach, the whole basis of our parliamentary democracy will be threatened.

Jacob Rees-Mogg (North East Somerset) (Con): I wish to speak to my amendment 207, but first may I say how much I agreed with the hon. Member for Rhondda (Chris Bryant)—I am surprised to be saying it, but he will be even more surprised—who spoke a great deal of sense about not making constituencies purely numerical compartmentalisations? This country has such a rich history of communities, and when it is a case of a few hundred here or a few hundred there, we ought to be more generous than this very rigorous and rigid approach. Many Government Members, as well as Opposition Members, feel that.

This matter ought to be looked at in a broader context and have more cross-party support. The one area on which I disagree with Opposition Members is the advantage to the Conservative party, which I think will be remarkably small.

Kevin Brennan: I am grateful to the hon. Gentleman for giving way, particularly so early in his remarks. I have read his interesting amendment. Does he hope that the flexibility around historical county boundaries for which he is looking might find more favour in another place, if not with the Conservative Front-Bench team tonight?

Jacob Rees-Mogg: It had occurred to me that I might suggest to my noble kinsman that he might wish to move a similar amendment. I look forward to doing that after this evening's debate, if Her Majesty's Government are not kind enough to accept my amendment.

I hope I do not bore the House by going on about history too much, but not far from here, outside the House of Lords, is a statue of Richard the Lionheart—Richard I—who was a great, noble king of England. It was in his reign that people first came from the shires to advise the king. His reign began in 1189—that means more than 800 years of counties being represented in Parliament. I am sorry to say that those Members who represent boroughs are very much the Johnny-come-latelies—they only got here in 1265. However, those of us representing counties have been here since the reign of Richard I.

I tabled my amendment because it seems a great shame to get rid of a long-standing historic tradition by accident, by a rule of the pen, by just doing something because it is there and it is tidy. I accept, as the hon. Member for Rhondda did, that we need to have a numerical approximation, but it does not need to be utterly rigid, and it ought, as far as possible, to respect our historical traditions.

Tristram Hunt: Is the hon. Gentleman more and more surprised, when he reads into the Bill, that this proposal comes from the Conservative party? He understands the Conservative party and its traditions, customs and inheritance, yet this utilitarian Bill undermines all that.

Jacob Rees-Mogg: I thank the hon. Gentleman for his comments. Reading his piece in the *Financial Times*, which made a similar point, I did not understand why he was not on the Conservative Benches. His views and outlook seem similar to those of what I might call a high Tory. I am delighted that there are others in the House who might be so described.

I do not want to make a long speech. I just want to make the simple point that we have these great historic traditions, within which we can adopt what the Government are trying to do. My suggestion would not run a coach and horses through the Bill; it would broadly accept most of it.

Mark Tami (Alyn and Deeside) (Lab): Is it not a sign of how rushed this is that the Government will not listen to any of these arguments? They are intent on smashing this Bill through before the next election.

Jacob Rees-Mogg: I was going to make the cheap comment that the Deputy Prime Minister is, of course, a borough Member, so he probably has an objection to the counties, because the borough Members used to get only half the wages of the county Members. Perhaps there is a long-standing objection to the higher pay we used to get.

Sheryll Murray (South East Cornwall) (Con): Does my hon. Friend agree that the historic boundary between Devon and Cornwall needs to be protected? Cornwall has a unique identity; it has its own language, and should be treated as a special case, like the Shetland Isles and the Western Isles, for geographical purposes. Cornwall's identity is special and deserves to be protected.

Jacob Rees-Mogg: I have the greatest sympathy with my hon. Friend's view, although, as I said in an earlier intervention, in 1362—I think—one Member represented seats in both Devon and Cornwall simultaneously, so there is at least some historical precedent for Devon and Cornwall having an association. It is important, however, to respect communities as far as possible, so I call upon Her Majesty's Government to be generous, to be kind and to consider the great history of my own county of Somerset—*[Interruption.]* I know that they are not listening, but they might listen eventually. I ask them to be kind and allow us to maintain our great historic traditions. It would not much change the Bill, it is not a very great amendment and I hope that the Government might at least think on it.

Susan Elan Jones (Clwyd South) (Lab): I am not calling merely for kindness from Her Majesty's Government; I am calling for decent, adequate representation for my home nation of Wales within my other home nation of the United Kingdom, of which the nation of Wales is part. It is ironic that tomorrow, in the United States, millions upon millions of people across that large and expansive land will elect their senators, and regardless of the size of the states from which they come, they will each elect two senators. Theirs was a constitution that developed over centuries, and those Americans realised that we ought not to enter into such changes lightly. How different from those on the Government Benches.

Once upon a time, in the "Encyclopaedia Britannica", there were the words, "For Wales, see England". That is what Government Members are saying today, because they do not understand—or perhaps they do, and this really is just gerrymandering, in which case I am being kind to Her Majesty's Government—that we cannot get rid of 25% of the representatives of a nation within the nation of which it is part, and expect there to be no repercussions. Some Government Members will hop up and down and say, "Isn't this a bit unfair? Aren't some bits not truly equal?", but that is not the point. This is about the devolution settlement, which was granted in a referendum. My party was in favour of devolution, but so-called Unionists on the Government Benches were against it—well, some sort of Unionism that shows itself to be this evening!

This is a Government who have already decided that Chesham and Amersham is part of Wales, and who decided in the past that Wokingham was too—and the right hon. Member for Wokingham (Mr Redwood) could not even sing the national anthem. They decided that a representative for Worcester could stand up for the people of Wales.

Ian Lucas: Will my hon. Friend give way?

Susan Elan Jones: I would be delighted to, and I will give way to any Government Members if they have any points to raise.

Ian Lucas: I am grateful to my hon. Friend and neighbour for giving way. Does she agree that the contempt in which the Conservative party holds Wales was evidenced only last week, when a Secretary of State responded to a parliamentary question by saying that the fact that Herefordshire had been given broadband services should be sufficient for Wales? What sort of Government treat an essential part of our nation in that way?

6.30 pm

Susan Elan Jones: The answer is this ragbag Government, who will not stand up for the people of Wales. Indeed, it is no surprise that all this is happening at about the same time that they are showing exactly the same sort of disrespect for the fourth Welsh television channel.

Jonathan Evans: As the hon. Lady develops this victimhood of Wales, perhaps she would like to reflect on the fact that there are 15,000 more electors in my constituency in Cardiff than there are in her constituency. How on earth is that fair? What do I say to my neighbour, just 50 miles away, who has 15,000 more electors? Surely the hon. Lady should recognise that fairness means that each vote, in every part of the United Kingdom, should be of equal value.

Susan Elan Jones: I suggest that the hon. Gentleman go back to his constituents and say, "Yes, of course it's right that we are open to proper Boundary Commission changes, but we shouldn't undersell our nation of Wales within the United Kingdom."

Owen Smith (Pontypridd) (Lab): Is not the point that my hon. Friend is making—and making very eloquently, I might add—that we should consider the aggregate effect of the Bill on Wales to be just as legitimate a question? We should not just compare one seat with another, but compare England with Wales.

Susan Elan Jones: I agree, and Government Members are showing that they have absolutely no understanding of the historic nature of Wales inside the Union.

Ms Bagshawe: I am grateful to the hon. Lady for giving way, as I am happy to rise to her earlier challenge. She says that fairness is not the point. Is not this Bill precisely about fairness? Is it not true that we on the Government Benches are arguing for people and that those on the Opposition Benches are arguing for geography?

Susan Elan Jones: I have always enjoyed reading the hon. Lady's works in the past, but this is about fact: the fact of the nation of Wales inside the United Kingdom.

Albert Owen: In the 1980s, Margaret Thatcher said as Prime Minister that there was no such thing as society. Are not this Tory coalition Government now suggesting that there is no such thing as community?

Susan Elan Jones: I agree with my hon. Friend. This Government are also saying that there is no such thing as Welsh society, and it is downright shameful to see Ministers from Wales on the Front Bench who are barely responding to the points being made.

Huw Irranca-Davies (Ogmore) (Lab): Does my hon. Friend share my distaste, not to say disgust, at the fact that if the proposal is put through, it will be done against the wishes of both the Welsh Assembly Government and the majority of parliamentarians from Wales in this place, and without any consultation whatever with Welsh society? This Union is a fragile beast. Devolution has evolved very carefully, bit by bit. Does she agree that if what is proposed were done, it would be the first time in the history of this place that such a proposal were agreed against the wishes of the majority of our nation? Does she hope that the other place has more sense and constitutionally challenges this proposal?

Susan Elan Jones: I would indeed hope that that would be the case.

I do not wish to continue in the same vein, because my point has been made. Indeed, it was made by the former Secretary of State, my right hon. Friend the Member for Torfaen (Paul Murphy), and many others. However, it is a sad reflection that the Government are choosing to wipe away so many centuries of history and to send the message to the people of Wales that they are sending. I do not believe that democracy will be better for this proposal. I do not believe that this proposal will better enable the people of Wales to be represented in this place, and I fear for the consequences of this measure.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I rise in support of amendment 183, which my right hon. Friend the Member for Ross, Skye and Lochaber (Mr Kennedy) spoke to so eloquently. I hope he was not referring to me when he said that his hon. Friends behind him had come armed with formula and fact, because I do not have those to hand. However, in supporting the amendment, I want briefly to address the principles behind it.

What we have in this debate is a straightforward collision of principle. The first principle that the Government have put forward in the Bill is that of equalisation. I have absolutely no problem with that general principle, for many reasons. It will certainly help administratively, as well as with the burden of work. There are many reasons to support that argument, but there is one that I would not have particularly supported, which is the idea it addresses a democratic deficit, because it most certainly does not. It might enshrine some of the inequalities that first past the post delivers, but it will certainly not make anything more democratic. As a broad principle, however, for equal work across the constituencies, the principle of equalisation is a very good one.

At the same time, we have long accepted an equal principle in our constitution, which is that of community, which is often related to geography. In fact, the very first speech of any substance that I made in this Palace was one that I made at the other end, of the building on exactly that subject, when I argued that we cannot have a representative democracy without considering community and geography, in addition to the mathematical numbers of people involved.

Sarah Newton (Truro and Falmouth) (Con): Does my hon. Friend agree that by supporting the cross-party campaign to keep Cornwall whole, this Parliament will be demonstrating that it is listening to the people of Cornwall? We have a golden opportunity in this Parliament to rebuild citizens' confidence in our democracy and to ensure that MPs can earn their respect. In respecting the aspirations of the people of Cornwall, with our distinct culture, history and language, we will be taking a step in the right direction and building confidence in this Parliament.

John Thurso: My hon. Friend makes a very full point, although I would not wish to engage with her directly because I want to be brief and allow other Members to take part.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): Some eminent historians have already participated in this debate, so I will go for some other quotations. Groucho Marx said, "Here are my principles, but if you don't like them, I have another set here." In the light of the contribution made by my hon. Friend the Member for Rhondda (Chris Bryant), may I ask the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso) how he can reconcile the exceptions for the Western Isles, northern isles and other areas when the Government are sticking rigidly to an arithmetical formula in this legislation?

John Thurso: The hon. Gentleman begins to make the precise point that I wish to develop, which is that this Bill already accepts the principle that there are geographical areas or communities that are either too disparate or too distinct simply to be left. There is nothing against that principle in the Bill. One could have argued—historically, it would have been easy to do so—for the old Norse principality of Orkney, which included Caithness. We could have gone back to Caithness,

[John Thurso]

Orkney and Shetland. The Government have recognised that certain geographical difficulties make it important to have regard to them when building constituencies.

Chris Bryant: Will the hon. Gentleman give way?

John Thurso: If the hon. Gentleman will let me first develop my argument, I will happily give way.

We have heard today from both sides of the House a variety of examples of why the two principles have worked in tension against each other for the benefit of the country. My broad argument is about removing that, suggesting an arithmetical figure, and making two exceptions. The exception of size is almost irrelevant, because it would change the constituency of my right hon. Friend the Member for Ross, Skye and Lochaber and mine, and Inverness would probably disappear. In the tension between those two principles, which have been dealt with by the Boundary Commission and through inquiry, we have broadly arrived at a workable set of solutions. Therefore, like the amendment, I urge that we take a similar approach while respecting all the Government's principles.

Chris Bryant: The hon. Gentleman is making a splendid case. Some of us believe that his constituency should be called Thurso. He wants us to support his amendment, which we are happy to do, but I hope he recognises that it might be better not to make allowances just for named constituencies, but to allow greater flexibility throughout the country so that wards and communities do not have to be split. He would then have to vote for our amendment.

John Thurso: I am receptive to the hon. Gentleman's argument. However, if he knew my constituency, he would know that saying it might like to be called Thurso is probably the worst insult that could be delivered to the Royal Borough of Wick and to Wickans. May I put it on record that I am entirely content with Caithness, Sutherland and Easter Ross—or however much of Ross I may end up with?

There is a clear need for the Bill to be amended and if, given the lack of time, we cannot achieve that, I sincerely hope that the other place will take a long, strong and hard look at it. This is the sort of constitutional change that simply must not be allowed to slip through on the back of an electoral pact.

Mark Durkan (Foyle) (SDLP): I want to speak to several amendments that I tabled in this group. Amendments 188, 193, 189 and 192 all refer to issues that arise in the context of Northern Ireland. This group includes other amendments that address issues that arise in the context of Wales and the Scottish islands, and constituencies that include such areas. There is also an amendment relating to the Isle of Wight.

My amendments are not about "ferrymanders" for constituencies with many islands, nor are they about "valleymanders" because of the geography of Northern Ireland, but they address two points. One is the principle of having a distinct quota in Northern Ireland. Amendments 9, 200 and 202 would give the four boundary commissions four discrete electoral quotas for the constituent parts of the United Kingdom. I have no issue with that, and I agree with it in principle, although I am not here to legislate for other parts of the United Kingdom.

I tabled amendment 192 because the Government seem to have set their face against separate electoral quotas for constituent parts. It calls for a distinct Northern Ireland quota. If the seat reduction goes through, we will end up with about 15 constituencies. Because the boundaries will be changed every five years, according to the UK quota arithmetic, it could be that under the Sainte-Laguë system for distributing seats to the four constituent boundary commissions the following boundary review might reduce the number of seats in Northern Ireland to 14, and the boundary review after that, depending on what happens with registration, might raise the number again.

Chopping and changing the number of seats in Northern Ireland every five years without any regard to either a sense of equality or a quota that relates to Northern Ireland's particular circumstances has difficulties. My amendments, which are specifically about Northern Ireland, could stand so I ask the Government to consider them even if they combine to defeat the other amendments, which sensibly and correctly call for discrete quotas. If separate boundary commissions are to be given particular tasks for particular areas, they should at least be mandated to produce a specific quota for those areas.

6.45 pm

Mr MacNeil: The hon. Gentleman makes a good and interesting point in that it underlines the general population instability in the UK. Recent scholars of the Union have pointed out that the Scottish percentage of the UK population has decreased. In the years to come, given the pattern of movement in the UK and the way in which the economy is run from south-east England, we might see more MPs from England and fewer from Scotland, Wales and Northern Ireland. The hon. Gentleman thus makes a very sensible point.

Mark Durkan: The hon. Gentleman spells out exactly the vista that is ahead of us with this Bill. Not only are the different boundary commissions not allowed to take account of the totality of circumstances within the territories for which they are responsible, but they are bound not just by the arithmetic of the UK quota but by the fixed limit of 600 seats. Part of our problem with all this is that we have a fixed limit of seats. There is not one seat more and not one seat fewer; there is just an absolute given number. I can see in that some of the conundrums that will beset this House every single time a boundary review is undertaken.

Mr David Hamilton: Does the hon. Gentleman not accept that there is no recognition that in 2005, Scotland moved from 72 MPs down to 58 MPs? If the proposal goes ahead, there will be a further reduction of eight in Scotland. That is an outrageous reduction in MPs and representation throughout Scotland. It is much more than the percentage that is being talked about over here.

Mark Durkan: The hon. Gentleman has spelled out exactly what lies ahead with this Bill. There is uncertainty over the changes that will come with the introduction of this Bill but, in addition, in every single Parliament

there will be an arithmetical play-off over who gets the last bundle of seats out of the 600. Does a party qualify under Sainte-Laguë for an extra seat, or does it end up losing a seat in Scotland, Wales or in Northern Ireland? The Boundary Commission will then be asked to deal with the consequences again.

Kevin Brennan: Does the hon. Gentleman agree that the Government's approach to this Bill, and the observations from some Government Members, profoundly misunderstands the nature of the United Kingdom? By equalising—except with some exceptions—the parliamentary constituencies, it completely ignores the fact that we are a united kingdom of nations of different sizes. In the United States, where there are equal congressional districts, the Senate balances the rights of the smaller states. There is no balancing within this Bill for the small nations, which could never ever outvote the interests of the largest nation in this United Kingdom.

Mark Durkan: I think I understand the point that the hon. Gentleman is trying to make. Personally, I am no fan of the United Kingdom. I am not a comfortable subject of it, and, as far as I am concerned, my small nation is not represented in the United Kingdom. My small nation is divided between the United Kingdom and the Republic of Ireland. I have no doubt that that will be work for another Bill on another day.

I want to make the point that the amendment in respect of the distinct Northern Ireland quota has its own merits, even if the Government, wrongly, unwisely and unfairly combine to defeat the other sensible amendments that would entrust boundary commissions with their own discrete quotas.

The other key area in amendments 188 and 193, and particularly in amendment 193, is to do with ensuring that the Boundary Commission for Northern Ireland will not just have to respect carefully things like local government wards, as the hon. Member for Rhondda (Chris Bryant) has spelled out, which the Bill as it stood was already providing for, but will have to have regard to the fact that constituencies in Northern Ireland are also, absolutely by statute, constituencies of the Northern Ireland Assembly.

Under the Northern Ireland Act 1998 and the Good Friday agreement, it was decided that parliamentary constituency boundaries would be exactly coterminous with the Assembly multi-seat boundaries, so changing the parliamentary boundaries means changing the Assembly boundaries. Under this Bill, they will be changed every five years, according to arithmetic dictated by the UK in general. We could end up with geo-sectarian issues as a result, and with the unsettling effect of boundary reviews throughout the life of every Assembly and every Parliament. Towns and villages will feel that, because of the boundary arithmetic, they are being pushed out of their natural hinterland and perhaps split between two Assembly constituencies, and that the natural base for their Assembly seat could be lost. There could also be implications for health care and other services.

Mr Russell Brown (Dumfries and Galloway) (Lab): My hon. Friend made a point about the people living on the periphery of a constituency chopping and changing between elected representatives at every election. What does he think that will do for the morale of those people, when they come to cast their vote? Is it good for democracy if those people feel that they are not really part of anywhere at all?

Mark Durkan: I do not believe that it is good for democracy. Thankfully, Northern Ireland now has a more settled process, but we face continuous and unsettling boundary reviews, some of which will come into play in time for the next parliamentary election but not in time for the next Assembly election. An Assembly election could therefore take place within boundaries that are about to disappear, and the next parliamentary election could be held within different ones. People will be completely confused. Equally, the number of our constituencies could go up and down, because the Sainte-Laguë method means that we are always in danger of just losing or just gaining a seat at each review.

Mark Tami: Can the hon. Gentleman foresee a situation in which a small town or village could move one way for one election, and back again for the next? In the Northern Ireland context, that could have considerable ramifications.

Mark Durkan: Yes, it could have serious ramifications. I do not need to spell out the names of particular townlands and their hinterlands, but the consequences are obvious, especially for multi-seat constituencies.

In the various amendments that I have tabled, I am not saying that we are seeking inequality for Northern Ireland. The principle of equality of constituencies should exist, particularly in constituencies that have to elect six Members, supposedly on a PR basis. They should be broadly equal, but they should be equal in a Northern Ireland sense.

Mr Dodds: On this issue, the hon. Gentleman and I agree about the Bill's impact on the Northern Ireland Assembly. We might not agree on how we see our future, because my party obviously sees Northern Ireland as part of the United Kingdom. He is absolutely right to mention the Assembly constituency boundaries, however. Those boundaries will be about to change when the election is held in 2019, so anyone standing in those elections will have been representing their constituency for four years, but the boundaries will have been changed for the past three years. That is a completely unacceptable situation.

Mark Durkan: The right hon. Gentleman is right to backlight exactly the sort of anomalies that will be created by the Bill. We are meant to be legislating for the whole of the United Kingdom and its constituent parts, so let us not legislate to create anomalies.

Paul Murphy: I say to my hon. Friend the Member for Foyle (Mark Durkan) and my right hon. Friend the Member for Belfast North (Mr Dodds) that a great deal of negotiation and compromise led to the Good Friday agreement, which created the situation in which the parliamentary constituencies equated with the Assembly constituencies. Does my hon. Friend not agree that the actions of the Government are such that, if their proposals are accepted, all that work could be jeopardised at a stroke?

Mark Durkan: I totally agree with the right hon. Gentleman, who served with great distinction in Northern

[Mark Durkan]

Ireland, not only as Secretary of State but as Minister of State. He was also the person who chaired the Strand 1 negotiations. Everyone rightly praises George Mitchell for his role, but not enough praise is conferred on the right hon. Gentleman for his role, and for the patience and perspicacity that he showed at that time. I must remind him, however, that in those negotiations, some of us were advocating that Northern Ireland should be granted the alternative vote system for Westminster elections as well. He and his right hon. Friend the then Prime Minister resisted that proposal, however.

Mr MacNeil: The crux of my hon. Friend's argument is the instability that will be caused by the five-yearly boundary reviews. Does he feel that an opportunity was missed in Committee when the House rejected an amendment tabled by the hon. Member for Leeds North West (Greg Mulholland) that would have established reviews every 10 years? That would have brought greater stability for mainland Members who, rather than looking over their shoulder every five years, would have had some breathing space and a continuous constituency for at least one Parliament. Does my hon. Friend agree that, unfortunately, the other place might have to ride to the rescue of the Commons yet again?

Mark Durkan: Again, my hon. and Celtic colleague has spoken with great sense. Hon. Members will regret what they are doing with this Bill. They will find themselves living with the consequences, and comparing the boundary process with the Independent Parliamentary Standards Authority process.

Mr Dai Havard (Merthyr Tydfil and Rhymney) (Lab): The uncertainty to which the hon. Gentleman alludes has particular resonance in Northern Ireland, and extraneous matter can fill many vacuums, as we have seen in the past. Does he not agree, however, that that uncertainty, coupled with a fixed-term Parliament, would not be good for democracy, because Members elected under such a system would be interested not in representing the people but in the next stage in the development of their own electoral process?

Mark Durkan: I thank my hon. Friend for that point. Like so many other hon. Members, he reinforces exactly the kind of malign scenario that will emerge as a result of the Bill. Boundary reviews will take place during the life of every Parliament, with an absence of local inquiries, if the Government get their way. Also, as we know from our discussions in Committee, the Secretaries of State will be able to make modifications when laying reports. Boundary commissions will consult first on one report, then on another. The third report will then be final, but the Secretary of State may lay it with modifications.

Kevin Brennan: Does my hon. Friend agree that an unforeseen consequence of this electoral hokey cokey, with villages and communities coming in and out of constituencies every five years, could be competition for additional casework between Members of Parliament, as happens under the additional Member system? It would be utterly unhealthy if a Member of Parliament were seeking to represent the area that he would be representing in the next Parliament rather than his present one.

Mark Durkan: I note the hon. Gentleman's point. I am not sure that the public would object to lots of local representatives working hard for them and their interests, but I understand the complication that he alludes to.

There is a glaring absence of any reference to the Northern Ireland Assembly in the Bill. We have not even been consulted or communicated with about the process. I have tabled amendments that deal with that. Whatever the Government's attitude to all the other very worthy amendments, I ask them to bear in mind that they are in serious deficit in the attention that they are giving to Northern Ireland.

Andrew George (St Ives) (LD): It is a pleasure to follow the hon. Member for Foyle (Mark Durkan), who makes a case for which I have a great deal of sympathy. I should like to express the great frustration of hon. Members representing Cornwall and the Isles of Scilly that we have not had an opportunity to advance the voice of, and the case for, Cornwall in debates on a Bill that will have a significant impact on Cornwall and its future. We should really have had such an opportunity before but, because of the arcane way in which we still manage our business in the House, we are left with the clock ticking away, and with very little time to make our case. As my hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso) said earlier, this is a clash between two principles. The first is that of equalisation, and no one could properly argue against that. However, we must also consider the important principle of respecting tradition, history and geography.

I draw attention to my amendments 196 and 4. One deals with the principle of discretion for the Boundary Commission to apply not just to Cornwall, but to other places, too. Sometimes people are not aware of the potential consequences that flow from their own community, their own identity and their own place. It is important to have an amendment that provides the Boundary Commission with a great deal more discretion. The other amendment deals with the historic and essential boundary of Cornwall, the integrity of which must be respected and protected.

Dan Rogerson (North Cornwall) (LD): I congratulate my hon. Friend on his contribution and on his amendments, to which I have appended my name. On the principle of allowing areas to opt out of the system, it is important to note the ability to opt to be under-represented. Accusations have been made that the provisions are about areas seeking to be over-represented in order to get away from the general principle of equalisation. In fact, the Liberal Democrat amendment says precisely the opposite—that the boundary may be so important in a particular area that the people in it can signal that they wish to be under-represented, as it were.

7 pm

Andrew George: My hon. Friend is absolutely right. I am grateful to all five of my parliamentary colleagues in Cornwall. With me, that makes six standing shoulder to shoulder together on this issue. We are not asking for a favour, only for the distinctiveness of Cornwall to be

recognised. In a sense, we will be more unfavourably treated. As the statistics pan out for the electoral register for Cornwall as a whole, the best guesstimate is that, if we go for a rounding down of the constituencies, we will end up with an electorate nearly 10% higher than the quota.

Mrs Laing: Surely the hon. Gentleman is not suggesting that the proud duchy of Cornwall and its proud Cornishmen would feel any less Cornish or any less proud of their ancient historical traditions just because one of their constituencies happened to have in it a small part of another county. Surely Cornwall is worth more than that.

Andrew George: It is very nice of the hon. Lady to take an interest in Cornwall and I appreciate that. If she wants to identify the voices of Cornwall, however, she might do well to look at the three Conservative Members who represent three Cornwall constituencies. They are very clear on this issue, and they disagree with her on that particular point. The fact is that it is the thin end of the wedge and a slippery slope. We are moving in the opposite direction from the one many want to see—giving Cornwall a stronger say and enabling it to build the identity of which it is enormously proud.

Several hon. Members *rose—*

Andrew George: I shall give way in a moment, but let me make a little more progress.

It is vital for people to understand that we are talking about a Cornwall that has a long tradition of culture and a separate language, as others have mentioned. No English counties have a language of their own in the sense that Cornwall does—and it has been recognised by the European Commission and other authorities. The language is recognised and specified in the European charter.

Angela Smith: I remind the House that Cornwall, along with South Yorkshire, enjoyed—if that is the right word—objective 1 status because of its need for economic growth and because of the poverty from which it has suffered. Does that not suggest that Cornwall needs all the representation it can get at the moment to make sure that its economic voice can be heard in this House?

Andrew George: I agree. Of course we would like to have more than average representation, but we are not asking for special favours. I have said already that we are not asking for favouritism, only for the distinctiveness of Cornwall to be respected.

Dr Alan Whitehead (Southampton, Test) (Lab): Would the hon. Gentleman associate his remarks about Cornwall with other areas in the south of England, such as the Isle of Wight, which are in exactly the same circumstances? The consequences of not associating his remarks with those other areas would mean that the Boundary Commission would have to take completely arbitrary decisions, not based on any community considerations, so part of the integral community would have to be redistributed elsewhere.

Andrew George: I am grateful for that intervention, as I entirely support what the hon. Gentleman said. Indeed, I have appended my name to amendment 183, which brings Cornwall and the Isle of Wight together. It recognises that there are already parts of the country whose geographic boundaries need to be respected. The primary principle underlying amendment 196, to which I think the hon. Gentleman alludes, is that of giving the Boundary Commission some discretion. Although amendment 183 acknowledges that there are five other parts of the country whose boundaries should be respected, we do not really know how many such areas there are. Other places elsewhere in the country might be relevant when the Boundary Commission is undertaking its work, and hon. Members, completely unaware of the situation, might find that a line has been drawn slap, bang through the middle of their constituency—and at that point, they will cry foul and ask how it happened.

When people wake up to the full reality of the way the boundaries are to be divided, they will understand that it will result in the effective pasteurisation of parliamentary constituencies. They will be homogenised and we will see the denigration of place, the denigration of identity and the promotion of placelessness and bland uniformity. The Boundary Commission should be given the discretion to recognise identity, culture, tradition, history, geography and so forth, so that places with strong identities, historic communities, historic counties and, indeed, historic boroughs do not find themselves divided up for the satisfaction of the Government's need for so-called statistical equalisation.

Toby Perkins (Chesterfield) (Lab): The hon. Gentleman has made a powerful case about Cornwall. I believe that the amendment proposed by my hon. Friend the Member for Rhondda (Chris Bryant) would achieve what the hon. Gentleman is trying to achieve. We all accept the need for equalisation, but we also need to allow the Boundary Commission to do what it is paid to do—to recognise that it is not all about numbers; it is also about communities. That is how democracy works: people vote for us; they understand the areas we represent, and we understand them.

Andrew George: I shall support every amendment that achieves the objects set out clearly in my two amendments.

Mr MacNeil: The hon. Gentleman has mentioned history and culture, and there is of course the Gaelic proverb:

"S fhearr caraid sa chuirt na crun san sporran"

it is better to have a friend in court—and, indeed, Parliament—than money in the purse. With that in mind, I say to my Celtic cousins from Cornwall that Karl Marx in one of his madder moments said that the fate of the Celtic races was to be ruled by the Nordic races. Does the hon. Gentleman agree that the treatment of Cornwall could thus be construed as Marxist? Did he ever imagine that when this coalition Government set out their aims, they would end up with Marxism in Cornwall?

Andrew George: Let me quote someone else. It was Matthew Arnold who said that it was the desire of a centralised state

"to render its dominions... homogenous".

Stephen Gilbert (St Austell and Newquay) (LD): This issue strikes at identity, community and history—all encapsulated in amendment 183, to which I and other Liberal Democrat colleagues have appended our names. Does my hon. Friend agree with me that the House should divide on amendment 183?

Andrew George: I do. I wish to bring my remarks to a close, as other Members wish to contribute to the debate.

I am glad that we have had the opportunity to talk about Cornwall. I hope that the Front Benchers are listening to our debate and I hope that it will not be necessary for an unelected Chamber to sort out the mess and that elected Members will ensure that we have the right type of election and the right type of boundary for elections to this place. We are not asking for any favours for Cornwall, as I have said. We just want the Government to be fair—"fair" being a favourite word of the coalition.

I shall support every amendment that achieves the objects that I have set out. I believe that it is a self-confident Government who are prepared to listen and to change their ways when the evidence is clearly opposed to the general direction in which they are proceeding.

Siobhain McDonagh (Mitcham and Morden) (Lab): I was prompted to speak solely by the words of the hon. Member for Corby (Ms Bagshawe), who said that this was about people. It is not about people; it is about dividing areas and regions into total numbers, rather than understanding the community. Communities such as those in Devon and Cornwall, in Wales, in Northern Ireland and in Scotland also exist in my part of south London—homogenised suburban south London. People live in villages, they live in communities, and they want to be represented by people.

Some of my constituents do not vote. They cannot vote. They do not register. We all know that someone who is black, someone who lives in private rented accommodation, or someone who is aged between 17 and 24, is unlikely to register, but those people still need to be represented. When they come to my surgery, I do not ask them whether they are from Afghanistan or from Germany. They live in my area, and I represent them.

We know that harsh, strict, numerical determination never takes account of the value of what we all do as individuals in representing our areas and communities. Dare I suggest that that is part of the big society? A big society that has no representatives and does not understand the meals on wheels ladies, the people from Somalia, or the people who enjoy whatever it is that they enjoy will be unable to represent them. If we cannot represent and understand our areas, we are completely lost, and the value of our system is lost.

The role of constituency Member of Parliament is not respected in the House of Commons, although it is talked about a great deal. The essence of our democracy lies in encouraging people to vote when, having lost faith in parties and the system, they are still prepared to confide to their Member of Parliament—someone they do not know—the greatest secrets about their lives and their values, and to tell that Member of Parliament about a pub or post office in their community that is about to close.

If we break up our areas, whether they are urban like mine, suburban or rural, we will rue the day. We must hang on in order to continue to make our political system work—and our political system works because people see us representing them and understanding their communities.

Mr Andrew Turner (Isle of Wight) (Con): I tabled amendment 1 to protect the Isle of Wight. The needs and interests of the people of the Isle of Wight are different from those of people living on the mainland. However, it is not only on behalf of the islanders that I oppose the change; my proposal makes better sense for the mainland as well. The island needs local representation, whether by one or two Members of Parliament. What will not do is the creation of one whole constituency with an electorate of 76,000, with the remaining 34,000 forming part of another constituency extending across the sea to the mainland.

On 15 July, the Deputy Prime Minister told the Select Committee on Political and Constitutional Reform that we must

"come to terms with the need for extensive political reform in order to re-establish public trust in what we do here".

I agree with the Deputy Prime Minister's words, but it is hard to reconcile them with his actions. His aim is the establishment of 600 constituencies of more or less equal size. He says that he wants greater public trust and transparency, yet he has arbitrarily decided that exceptions will be made for some Scottish islands and not others. That is it: no discussion, no consultation, no justification. I am not criticising the Deputy Prime Minister for what he said, but he has not satisfactorily explained why Isle of Wight residents are not entitled to the consideration that is given to Scottish islanders. Like the Scottish islands, we on the Isle of Wight are physically separate from the mainland, but our uniqueness is totally ignored. We have no roads, trains or planes—

Albert Owen: Will the hon. Gentleman give way?

Mr Turner: Not for the moment, if the hon. Gentleman will forgive me.

What we have is a limited and sometimes eye-wateringly expensive ferry service. It is necessary to live on an island to understand how limiting that can be. Some islanders rarely or never travel to the mainland, and there are times when it is impossible to reach it because of weather or sea conditions. Ferries themselves provide evidence that the interests of electors on opposite sides of the Solent are very different. The Lymington River Association is vehemently opposed to the new ferries on the Yarmouth-Lymington route, while islanders who do travel to the mainland need the improved services that the companies are trying to offer.

7.15 pm

Albert Owen: Like the hon. Gentleman, I represent an island community. Although it is linked to the mainland by a bridge, that does not make it any less an island community. Does the hon. Gentleman agree that those special characteristics must be preserved, and that the Isle of Wight, with a population of 100,000, and Ynys Môn, with a population of 50,000, are equal island communities whose uniqueness should be recognised?

Mr Turner: I understand that perfectly.

As well as the two Scottish island constituencies, there are other arbitrary exceptions to the principle of fair votes. However, it is not all about fairness or unfairness. It is about allowing people to be consulted and to have the representation that they want, even if that means keeping a larger constituency. That is why the decision should be made by the independent Boundary Commission, rather than according to the diktat of the Deputy Prime Minister.

My constituency is the largest in the United Kingdom, with 110,000 voters. I am happy to continue to be judged by those people when it comes to whether I represent them effectively. The Deputy Prime Minister paid me the compliment of saying that I was well known as an "outstanding constituency MP". If that is the case, why is he determined to fix something that is not broken, particularly when his reforms are unwanted by the people who are affected by them?

I must end my speech, because we are running out of time. Let me finally say that it is a terrible thing to have one's constituency divided. I recognise that that will happen in some cases, but what I do not like is the idea of the constituency being divided and part of it sent to the mainland.

Chris Bryant: So far this evening, the Government have gained no supporters for their argument. I think that there is a good reason for that. The arguments presented by Members on both sides of the House—including the persuasive argument of the former leader of the Liberal Democrat party, the right hon. Member for Ross, Skye and Lochaber (Mr Kennedy)—can be summed up very simply as "This House does not believe in the Government's construction of a mathematical exercise in order to create constituencies". Everyone who has articulated an argument this evening has expressed the belief that, in the case of Cornwall, Scotland, the south Wales valleys or the whole of Wales, we need to ensure that minority voices are heard loud and clear in the House.

Kevin Brennan: Will my hon. Friend give way?

Chris Bryant: I will not, if my hon. Friend does not mind. I know that the Minister needs to be able to reply.

Kevin Brennan: On a point of order, Mr Deputy Speaker. When you called the Front-Bench spokesmen, at least a dozen Labour Members were still waiting to speak. It is clear that not enough time has been allowed for the debate. Can anything be done to enable those Members to put their points on the record?

Mr Deputy Speaker (Mr Lindsay Hoyle): That is not a point of order. The point about the amount of time allowed for the debate has been taken on board, but that is a decision for the Government rather than the Chair.

Chris Bryant: My hon. Friend the Member for Cardiff West (Kevin Brennan) knows perfectly well that I entirely agree with him. I note that at least 12 Labour Members have not yet been able to speak, and that is why I will speak very briefly now.

Let me just say this to the Government. The danger is that in their desire to create mathematically perfect constituencies and to allow only 5% of leeway to the boundary commissions, and in creating the exemptions for three seats in Scotland, they will undermine the three Scottish constituencies and make them seem like rotten boroughs. The Government will make the whole country look like a mathematical exercise, and not like anything that recognises the facts of life.

When miners went down the mines in the Rhondda in the 19th and 20th centuries, they had a number stamped on their miners' lamps. The people of this country do not want to be just numbers on a miner's lamp. The people of this country want to be recognised for the constituencies and the communities that are represented in it, and it is their voices that should be heard in the House rather than just the statistics with which the Minister agrees.

John Mann (Bassetlaw) (Lab): On a point of order, Mr Deputy Speaker. You said in response to the point of order of my hon. Friend the Member for Cardiff West (Kevin Brennan) that a point about who gets to speak is not a point of order for the Chair. A point about which amendments are selected is, however, a point of order for the Chair. My amendment to this part of the Bill deals with the same kind of special privilege that other Members have addressed in their amendments, but it was not selected. I appreciate that the Chair has a difficult task. However, my point of order is: if this Bill had been taken in full Committee, would not my amendment have been allowed and debated?

Mr Deputy Speaker: The hon. Member has raised this point previously, and I stress once again that it is not a point of order. He cannot challenge what amendments are selected. The selection of amendments is the Speaker's prerogative, and that has been decided. I now call the Deputy Leader of the House.

John Mann: Further to that point of order, Mr Deputy Speaker—

Mr Deputy Speaker: No, I have ruled on that.

John Mann: It is an incorrect ruling.

Mr Deputy Speaker: I think the Member will wish to withdraw that comment, for all our sakes.

John Mann: I withdraw that comment, but further to that point of order, Mr Deputy Speaker. The point of order I am raising is that in full Committee any amendment that is put in the Committee is eligible to be taken, and it is only the time constraints that have required you, Mr Deputy Speaker, to rule out certain amendments, including my own.

Mr Deputy Speaker: Order. We are not going to push this any further. I have made a ruling. I stand by that ruling and the Member must accept it. I call Mr Heath.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): This large group of amendments reflects a range of views about

[Mr David Heath]

representation in the nations and the way in which the boundary commissions should go about the task of drawing up constituency boundaries.

Let me start with a simple statement of principle. In a single-Member constituency system, there must be broad equality in constituency size so that one elector means one vote between, as well as within, constituencies. I do not think that is a particularly controversial remark. The hon. Member for Rhondda (Chris Bryant) calls it an attitude that is "crazed" and "desiccated"—it is interesting that one can be both simultaneously—but I do not accept that. My concern about the amendments in this group is that they would all compromise on equality for a range of motivations, some entirely understandable, others less so.

The amendments seek to make exceptions for, variously, the Isle of Wight, Cornwall, Ynys Môn and the highlands of Scotland, and we recognise the pride and sense of history that underpins each of these claims for special treatment. The Minister with responsibility for political and constitutional reform, the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), visited the Isle of Wight on 1 October and Ministers at the highest possible level have met campaigners from Cornwall to hear their arguments. However, it is not the case that the only argument that was made was in favour of the status quo; I think the hon. Member for Isle of Wight (Mr Turner) recognised that in a previous debate. For example, a cross-Solent constituency might have advantages. The Isle of Wight council has recently made a submission to the Government to create a Solent local enterprise partnership covering the economic area of south Hampshire and the Isle of Wight. Where appropriate, therefore, the island is clearly willing to develop its long-term interests in conjunction with its mainland neighbours. There are a number of shared opportunities between the island and the mainland and I believe this willingness to engage could also be demonstrated in a cross-Solent constituency.

Ian Murray (Edinburgh South) (Lab): Had the Government allocated enough time for us to debate this topic this evening, the hon. Gentleman would have heard a cross-section of views not only from Wales, Devon, Cornwall and colleagues from Northern Ireland and Scotland, but from the whole country, expressing concern about communities being split up and boundaries being drawn on the basis of strange anomalies or purely in accordance with mathematics. In fact, the Government are in danger of ensuring that people such as those mentioned by colleagues are under-represented in the House, not over-represented.

Mr Deputy Speaker: Order. That was a long intervention.

Mr Heath: I simply do not understand this argument that having equal constituencies with a margin of plus or minus 5% represents an outrageous innovation that is anti-democratic. That is simply not the case.

Several hon. Members *rose—*

Mr Heath: Let me make some progress, as we have very little time.

More fundamentally, it is the duty of each MP to represent all constituents no matter whereabouts in the constituency they live. I understand the views of my colleagues from Cornwall—my hon. Friends the Members for St Ives (Andrew George) and for North Cornwall (Dan Rogerson)—but I simply do not accept that Cornwall will be any the less "Cornwall" if it is represented by a Member who also represents part of Devon. I believe a Member of Parliament who is doing their job can represent constituents on either side of the Tamar equally.

Several hon. Members *rose—*

Mr Heath: I have not got time to give way, I am afraid.

I also want—*[Interruption.]* I also want to make it plain that my right hon. Friend the Member for Ross, Skye and Lochaber (Mr Kennedy) made—*[Interruption.]*

Mr Deputy Speaker: Order. The hon. Member has said he will give way a little later. Let us be a little more patient. People want to hear what is being said. *[Interruption.]* I am sure the hon. Member can see behind him, Mr Bryant; he does not need any assistance.

Mr Heath: I am most grateful, Mr Deputy Speaker. I am trying to cover quite a lot of ground for colleagues in a relatively short period.

I wanted to address the issues raised by my right hon. Friend the Member for Ross, Skye and Lochaber and my hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso)—and I know that if my hon. Friend the Member for Argyll and Bute (Mr Reid) been able to contribute to the debate he would have said very much the same thing about the highlands of Scotland. *[Interruption.]* May I correct the hon. Member for Rhondda? He kept on saying that there are three exceptions in the Bill, but there are not three exceptions; there are two exceptions and they are, for very clear reasons, for the two island constituencies where contacts are very difficult. I think my hon. Friend the Member for Argyll and Bute can make a very strong case for his own constituency as well, but I do not accept that having a maximum size—which it has been said is the size of Belgium—is unreasonable for the Scottish Members representing highland constituencies.

The hon. Member for Foyle (Mark Durkan) made a very important point on Northern Ireland. I expected him to make the connection between parliamentary constituencies and Assembly constituencies. Instead, he concentrated on the quota and the Sainte-Laguë formula, and he raises an important point that we need to look at. I want to make absolutely sure that the system is fair to all parts of the United Kingdom, and I will certainly look at that point.

I find it very difficult to understand the argument that the Welsh constituencies are badly treated by being treated the same as other constituencies, such as those on my side of the Bristol channel. I do not know whether changing the name of Somerset to Gwlad yr Haf would have the desired effect of giving us twice as many representatives, but I do not accept that people in the west country should be disadvantaged in that way. *[Interruption.]* No, what is patronising is to pretend

that we cannot go from one part of a constituency to the other because there is a hill or a river in the way. That is nonsense.

I briefly want to address the effect of Government amendments in this group, which are technical in nature. Amendments 220 and 221 allow the boundary commissions to use the most up-to-date register in areas where publication is delayed. If these amendments are not agreed to, in some areas the boundary commissions would have to use the register before the results of the annual canvass were included in it. I therefore hope we can all agree that the amendments must be made.

Amendment 21 makes consequential amendments to other legislation that refers to particular constituencies by name. We need to make that other legislation consistent with the new rules for constituencies in the Bill.

I hope the House will be able to support the Government amendments, and will reject the other amendments if they are pressed to a Division, as I believe they introduce inequalities—and inappropriate inequalities at that—that I personally cannot accept.

Question put, That the amendment be made.

The House divided: Ayes 245, Noes 326.

Division No. 104] **[7.29 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
George, Andrew
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Keeley, Barbara
Kendall, Liz
Kennedy, rh Mr Charles
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rogerson, Dan
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sanders, Mr Adrian
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen

Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David

Tellers for the Ayes:
Angela Smith and
Mr David Hamilton

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Buckland, Mr Robert
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon

Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and Norman Lamb

Question accordingly negatived.

7.42 pm

Proceedings interrupted (Programme Order, this day).

The Deputy Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Amendment proposed: 11, page 10, line 10, at end insert—

'(1A) A Boundary Commission shall ensure that—

(a) in England, no district or borough ward shall be included in more than one constituency;

(b) in Northern Ireland, no local authority ward shall be included in more than one constituency;

(c) in Wales, no unitary authority ward shall be included in more than one constituency;

(d) in Scotland, regard shall be had to local authority ward boundaries.

(1B) The Boundary Commission for England shall where practicable have regard to the boundaries of counties and London boroughs; and in any case no constituency shall include the whole or part of more than two counties or London boroughs.

(1C) The Boundary Commission for Wales shall where practicable have regard to the boundaries of unitary authorities; and in any case no constituency shall include the whole or part of more than two unitary authorities'.—*(Chris Bryant.)*

The House divided: Ayes 243, Noes 327.

Division No. 105] **[7.43 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan

Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David

Tellers for the Ayes:
Angela Smith and Mr David Hamilton

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Buckland, Mr Robert
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles

Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Norman Lamb

Question accordingly negatived.

Amendment proposed: 183, page 10, leave out lines 18 to 25 and insert

'*Whole numbers of constituencies*

6 (1) The following shall be allocated whole numbers of constituencies by whichever Boundary Commission is responsible for them

(a) Orkney Islands and Shetland Islands council areas;

(b) Comhairle nan Eilean Siar council area;

(c) the Cyngor Sir Ynys Môn Isle of Anglesey county area;

(d) the Isle of Wight county area;

(e) the County of Cornwall and Isles of Scilly council areas;

(f) the Highland Council area;

(g) the Argyll and Bute Council area.

(2) The number of constituencies to be allocated to each area shall be determined by dividing the electorate of the area or areas concerned by the United Kingdom Electoral Average and rounding to the nearest whole number, unless this would mean that rule 4(1) could not be satisfied, in which case the area concerned will be allocated the smallest number of constituencies required in order to satisfy that rule. Each area must be allocated at least one whole constituency.

(3) In this rule "United Kingdom Electoral Average" means (where E is the electorate of the United Kingdom)

$$\frac{E}{600}$$ *(Mr Kennedy)*

Question put, That the amendment be made.

The House divided: Ayes 257, Noes 315.

Division No. 106] **[7.56 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bottomley, Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann

Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Eustice, George
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
George, Andrew
Gilbert, Stephen
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hancock, Mr Mike
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Keeley, Barbara
Kendall, Liz
Kennedy, rh Mr Charles
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Mulholland, Greg
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Murray, Sheryll
Nandy, Lisa
Nash, Pamela
Newton, Sarah
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rogerson, Dan
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Russell, Bob
Sanders, Mr Adrian
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Thurso, John
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David

Tellers for the Ayes:
Angela Smith and Mr Alan Reid

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian

Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Norman Lamb

Question accordingly negatived.

Amendments made: 220, page 11, line 27, leave out from first 'on' to 'in' in line 28 and insert 'the relevant version of a register of parliamentary electors'.

Amendment 221, page 11, line 30, at end insert

'(None)

'For this purpose the relevant version of a register is the version that is required by virtue of subsection (1) of section 13 of the Representation of the People Act 1983 to be published no later than the review date, or would be so required but for

(a) any power under that section to prescribe a later date, or

(b) subsection (1A) of that section.'.

Amendment 21, page 12, line 18, at end insert—

'( ) In Part 4 of Schedule 1 to the House of Commons Disqualification Act 1975 (offices disqualifying for particular constituencies)

(a) in the entry for Member of Her Majesty's Commission of Lieutenancy for the City of London, for "The constituency comprising the whole of" there is substituted "Any constituency comprising the whole or part of";

(b) in the entry for Governor of the Isle of Wight, for "The Isle of Wight" there is substituted "Any constituency comprising the whole or part of the Isle of Wight".

( ) In section 8 of the Representation of the People Act 1983 (registration officers), for paragraph (b) of subsection (2) there is substituted

"(b) in relation to any constituency part of which consists of some or all of the area of the City and the Inner and Middle Temples, the Common Council shall appoint an officer to be registration officer for that part of the constituency."'.—*(Mr Heath.)*

Clause 12

BOUNDARY COMMISSION PROPOSALS: PUBLICITY AND CONSULTATION

Mrs Laing: I beg to move amendment 205, page 12, line 21, at end insert—

'(A1) In relation to a report under section 3(1) that a Boundary Commission is required by section 3(2) to submit before 1 October 2013

(a) a Boundary Commission shall make information available via their website, and if they see fit by other means, on their proposed general approach to the application of Schedule 2;

(b) representations with respect to this proposed general approach may be made to the Commission during a specified period of eight weeks; and

(c) the Commission shall take into consideration any such representations duly made prior to the provisional determination of any recommendations affecting any constituency.

(A2) A Boundary Commission's "proposed general approach" shall include, but need not be limited to

(a) the processes by which they intend to seek to ensure the application of rule 2, and in the case of the Boundary Commission for Northern Ireland of rule 7, including the circumstances in which they will consider recommending that wards, electoral areas and divisions should be divided between two or more constituencies, and the information on which they intend to rely in determining how to carry out such a division, and

(b) the extent to which they intend to take into account each of the factors described in rule 5(1), and in the case of the Boundary Commission for England of rule 5(2).'.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to discuss the following:

Amendment 206, page 12, leave out lines 22 to 34 and insert—

'(1) Where a Boundary Commission has provisionally determined to make recommendations affecting any constituency

(a) they shall take such steps as they see fit to inform people in the constituency of the effect of the proposed recommendations and that a copy of the recommendations is open to inspection at a specified place within the constituency,

(b) they shall make available via their website, and if they see fit by other means, copies of their proposed recommendations and information on their effect, together with such information as they have on the number of the electorate in every sub-division of every ward, electoral division and electoral area in England, Scotland, Wales or Northern Ireland, and

(c) representations with respect to the proposed recommendations may be made to the Commission by people whether in or outside any given constituency during a specified period of 12 weeks, and the Commission shall take into consideration any such representations duly made.'.

Amendment 15, page 12, leave out lines 35 to 41 and insert—

'(1A) A Boundary Commission may cause a local inquiry to be held for the purposes of a report under this Act where, on publication of a recommendation of a Boundary Commission for the alteration of any constituency, the Commission receives any representation objecting to the proposed recommendation from an interested authority or from a body of electors numbering one hundred or more.

(1B) Where a local inquiry was held in respect of the constituencies before the publication of the notice mentioned in subsection (1) above, that subsection shall not apply if the Commission, after considering the matters discussed at the local inquiry, the nature of the representations received on the publication of the notice and any other relevant circumstances, is of an opinion that a further local inquiry would not be justified.

(1C) In subsection (1A) above, "interested authority" and "elector" respectively mean, in relation to any recommendation, a local authority whose area is wholly or partly comprised in the constituencies affected by the recommendation, and a parliamentary elector for any of those constituencies.'.

Amendment 209, page 12, leave out lines 35 and 36.

Amendment 194, page 12, line 35, after '(2)', insert 'Subject to subsection (2A) below'.

Amendment 195, page 12, line 36, at end insert—

'(2A) The Boundary Commission for Northern Ireland shall cause a public inquiry to be held for the purposes of a report under this Act covering the whole of Northern Ireland, where any representation objecting to a report has been received from the council of a district in Northern Ireland or from a body of parliamentary electors in Northern Ireland numbering one hundred or more from two or more constituencies.'.

Amendment 210, page 12, leave out line 41.

Mrs Laing: I am glad that we are going to be able to debate all these amendments in this one debate. It is unfortunate that the hon. Member for Nottingham North (Mr Allen), the Chairman of the Political and Constitutional Reform Committee, cannot be present, as he would have relished the opportunity to speak to these amendments on behalf of our Committee. I am pleased to see that other members of the Committee are in the Chamber, however, and they may wish to echo those sentiments. In the absence of the Chairman, I shall speak to amendments 205 and 206, which arise from the Committee's report on the Bill—the nearest that we got to pre-legislative scrutiny.

The purpose of amendments 205 and 206 is to ensure that consultation by the boundary commissions is as meaningful as possible. Amendment 205 would require them to hold a one-off, short consultation on how they intended to approach the division of England, Scotland, Wales and Northern Ireland into constituencies before the first review—the 2011 to 2013 review—took place. It would allow people to give their views on the extent

to which, for example, county boundaries should be crossed and which ward sub-division might be desirable and, where wards are sub-divided, on the kinds of sub-division to be used. The Committee has asked the House simply to consider whether amendment 205 would—we hope that it would—increase the perceived legitimacy of the boundary commissions' decisions, and reduce the likelihood of local frustration and the possibility of legal challenge to their recommendations.

Amendment 206 is intended to improve the quality of the consultations that the boundary commissions conduct under each proposed future review. As the Committee said in its report:

"The legitimacy of the next boundary review in the eyes of the public is likely to be strongly influenced by their ability to participate effectively."

The amendment would allow people to make representations to the commissions on constituencies other than the one in which they live, and it would require information on the number of electors within sub-ward divisions of constituencies to be made available nationwide. I appreciate that the Government are working to a very tight timetable and we do not have very much time for debate this evening. Members wish to raise important matters, so I shall be as brief as I can.

The purpose of the amendments is to ensure that people have, first, the information about their locality that they need to make to the boundary commission a proposal that keeps within the rules, and, secondly, the right to make recommendations about constituencies other than the one in which they live so that that they are not prevented from making suggestions about their locality that would otherwise take their constituency outside the range of the 5% flexibility permitted. I appreciate that I have truncated the case, for the reasons that I have set out, but I am sure that hon. Members who are interested in the matter and, certainly, Ministers will already have read the Select Committee's report and fully appreciate the importance of the points that I have put to the House.

The Government may not wish to accept the amendments, but they are intended entirely to be helpful and constructive. The Committee took a cross-party position, and the amendments are not political. Given the timetable to which the Government are working, however, they may not wish to consider these matters. If the Minister is not prepared to accept the Committee's amendments, how will the boundary commissions ensure that consultation with local people is meaningful, and that the mass of the new rules is not so constructed that local feeling on constituency boundaries cannot be taken into account?

8.15 pm

I am sure that the Minister will appreciate the point that I make on behalf of the Committee, and members of the Committee who sit on the Opposition Benches may wish to take those points further, but I shall move on from the Committee's position to speak on my own behalf. We know from experience that the boundary commissions have taken a very long time to consider their reports in previous decades, and that an enormous amount of time and taxpayers' money has been spent on consultations with them.

The Select Committee is being constructive with amendments 205 and 206, by trying to help the Government to improve the perception of the commissions' legitimacy, but I argue, from my point of view as the representative of a constituency that has been changed by almost every boundary review over the past century, that most of the time taken up by consultation with the boundary commissions has been taken up by political parties. There has not—I defy anyone to come forward with evidence to show that there has—been an enormous outcry from individuals, saying, "I don't want to be in Epping Forest; I want to be in Brentwood and Ongar."

Most people in this country accept that the boundary commissions have to do the work that they do, and that, having one vote of one value and equal-sized constituencies, is the right way to a fair, modern democracy that properly represents every person who lives in any part of the United Kingdom. The boundary commissions have not been inundated with individual members of the public whose hearts have been broken by the thought of being represented by a different Member of Parliament.

Mr Russell Brown: I cannot speak about Epping Forest or Brentwood and Ongar, but, when the boundaries changed in Scotland in 2005, the proposal for my constituency was to take out two large wards from the town of Dumfries itself. People were so angry that they mounted their own campaign, which they took to a public inquiry, and they won the case that they should not be separated. It is wrong for the hon. Lady to say that only political parties undertake such activity. The strength and voice of communities should be heard, but the Bill will not give those communities the voice that they deserve in a democratic society.

Mrs Laing: I understand what the hon. Gentleman says, and I understand how strongly the people of Dumfries feel, but that is not the point of democracy. In a modern democracy what counts is not valleys, mountains, rivers and perceived ancient boundaries, as we heard argued in the previous debate; what counts is that every person in the United Kingdom has a voice of equal value and votes.

Mark Tami: The hon. Lady has made the point a number of times tonight about everything being of equal value and equal size, so why does she support measures that take three seats in Scotland and count them differently? Her argument would be stronger if she opposed those measures in the Lobby.

Mrs Laing: I do not support them. The matters on which we have just voted were rather more complicated than that, and went further than three seats.

Mark Tami: So why did you vote for it?

Mrs Laing: The hon. Gentleman does not know how I voted—that is my business. *[Interruption.]* Well, I was not in the Lobby with him. *[Interruption.]* It is hardly a secret, is it? The matters on which we have just voted were rather wider than that, and so I naturally loyally supported my Government—or part of my Government. *[Interruption.]* The hon. Gentleman has not been here throughout these debates.

Mark Tami: I have been here all day.

Mrs Laing: The hon. Gentleman has not been here throughout the five days of the Committee stage.

Mark Tami: I have.

Mrs Laing: Well if he has, he has: I am sorry that I did not notice. */Interruption.*/ I have said on more than one occasion

Madam Deputy Speaker: Order. I know that people have strong views on this, but, Mr Tami, it would help if you proceeded by intervention rather than by shouting across the Chamber: it is very distracting. Thank you very much.

Mrs Laing: Thank you for your protection, Madam Deputy Speaker. Regardless of where the hon. Gentleman has been, he can have this argument with the Government, but he cannot have it with me, because I have said on more than one occasion—and I will say it again, but it does not really matter, because nobody listens to what I say—

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): I do.

Mrs Laing: I am much gratified by that.

I would not have had any exceptions in the Bill: I think that the exceptions are wrong. The matter at issue is that every vote in the United Kingdom should be of one value and of one weight—that every Member of Parliament who comes to this House should have, within a reasonable tolerance, the same number of potential voters, voting for them or otherwise.

Mark Tami *rose*—

Jim Fitzpatrick (Poplar and Limehouse) (Lab) *rose*—

Mrs Laing: I will not give way to the hon. Member for Alyn and Deeside (Mark Tami) again, but I give way to the hon. Member for Poplar and Limehouse (Jim Fitzpatrick).

Jim Fitzpatrick: Does the hon. Lady support—I fully presume that she does—the building of the big society, as outlined by her right hon. and hon. Friends on the Front Bench? Is not the Select Committee's suggestion that the boundary commissions should have this arrangement for people to make representations an acknowledgement that the elimination of public inquiries is creating a vacuum and depriving citizens of the opportunity to make such representations, and therefore totally contradicts the big society in preventing expressions of disappointment or concern about the proposals from being heard?

Mrs Laing: The hon. Gentleman is, as ever, very clever in the way that he puts his point, but this has nothing to do with the big society. I take his point that the boundary commissions must be seen to be operating fairly, but I argue strongly that there is no need for them to take year after year, spending more and more taxpayers' money, listening to political parties making points that are cleverly disguised as being about ancient boundaries, communities and so on, when in fact they are about the perceived electoral advantage or disadvantage of each particular political party. Anyone involved in politics knows perfectly well that that happens. At a time when we should be spending money on the real big society issues of which the hon. Gentleman is only too well aware, we should not be spending enormous amounts of taxpayers' money on keeping the boundary commissions doing that year after year.

Huw Irranca-Davies: I agree with the hon. Lady's Aristotelian logic. There is no need for wide public inquiries or forced submissions if we are going to have a purely arithmetical decision on where the boundaries lie; in fact, there is no need for any submissions whatsoever. May I therefore urge her to table an amendment that would scrap any discussion or debate in this House and just move on to drawing the jigsaw that will be the United Kingdom's parliamentary boundaries? If one takes her logic to the extreme, there is no need for any discussion or debate whatsoever.

Mrs Laing: The hon. Gentleman makes an excellent point with which I cannot disagree. It is the arithmetic that rules. Labour Members try to find arguments against that, but the fact is that if one believes in a modern democracy where every vote is of equal value and every Member of Parliament comes here with an equal weight of potential votes behind them, one cannot argue otherwise. I would go further and say that there should have been no exceptions in the Bill.

Mr Russell Brown: This evening and on other occasions, Members of this House have put great emphasis on equal votes having equal value. If the coalition Government succeed in doing what they are attempting to do, the vote of every person who goes to the polling station will be equal when they enter, but a 48% turnout will give a different value to that vote than it would if the turnout were 70%. Equality is about more than just the number of bodies in a constituency—it is also about votes being cast, and that can cause a disproportionate level of representation.

Mrs Laing: I am sure that the hon. Gentleman is speaking from sincere and heartfelt beliefs, but that is totally illogical. If there are, say, 76,000 potential voters in a constituency and 40,000 of them decide not to vote, that is their democratic choice, just as it is the democratic choice of the other 37,000—I think I got the arithmetic wrong there—to cast their vote. People who decide not to vote are exercising their democratic judgment in the same way as people who decide to vote. There has been a lot of discussion about where the heart is, communities, boundaries, and so on—matters that appear to be anything other than purely arithmetical.

John Mann: Completing the circle of logic in the hon. Lady's argument, presumably she will want to table, or to have someone else table, an amendment that would prohibit people from registering in more than one place, because those voters, be they students or second property owners, have the opportunity to choose where they would cast their vote. Therefore their vote is not as equal as anybody else's. Given her logic, she is presumably in favour of such an amendment and will be urging Government Front Benchers to bring it forward immediately.

Mrs Laing: I see the hon. Gentleman's point. However, the logic and arithmetic of that is that it does of course happen, but it pretty well cancels itself out from one constituency to the next. People often, for various reasons and quite legitimately, register in more than one place, but the fact that it happens all over the country cancels it out.

Mark Durkan: Will the hon. Lady give way?

Mrs Laing: No, I cannot prolong this part of the debate. I am aware that there is very little time and there are a lot of matters to be discussed.

All the other parts of this debate have been froth: the only thing that matters is that in a modern democracy every vote should have an equal value, and every Member of Parliament should come to this House with an equal number of constituents behind them.

Sadiq Khan (Tooting) (Lab): I rise to speak to amendment 15, on which we will wish to divide the House.

It is always a pleasure to follow the hon. Member for Epping Forest (Mrs Laing). As charming as her speech was, I am reassured that we were in different Lobbies in the last Division, and I suspect that we will be again come 10 o'clock. She has sat through all five days of the Committee stage and all of today, and no doubt she will sit through tomorrow's debates on remaining stages.

The hon. Lady should understand that many colleagues are frustrated that they have not had a chance to make certain substantive points, and they will be frustrated by the Bill when it leaves the House. That is a metaphor for what will happen when it abolishes the public inquiry. She and many colleagues are frustrated, and some Members shouted "Disgraceful" when the last Division result was announced. Citizens around the country will be shouting "Disgraceful" when the boundaries are changed without their having a chance to argue their case before the boundary commission. Their only option will be recourse to judicial review, which will make lawyers rich and citizens poorer.

8.30 pm

I am not usually one for hyperbole, but let us be absolutely clear that the Government's proposal to abolish public inquiries is driven by one overriding concern—the politically driven desire to rush the completion of the boundary review through by October 2013. That is against due process and natural justice, and it is partisan. I say to the hon. Lady that if there are concerns about public inquiries taking too long, the Government should speed up the process, not abolish them. There is obviously a tension between the speed of the boundary reviews, strict adherence to electoral equality and the strong tradition of consultation and public involvement in such reviews. This country is currently giving lectures to emerging democracies about the importance of voting and of involving communities in how boundaries are drawn up, but at the same time we are abolishing public inquiries.

John Mann: Is it not the case that where the traditional English counties, for example, are breached, such as by constituencies crossing from Nottinghamshire into Derbyshire, Yorkshire or Lincolnshire, people will want to have a far greater say than they have for many years in a county such as Nottinghamshire? Although the boundary reviews there have sometimes been contentious, they have been within clearly defined parameters, which have been publicly available and generally publicly acceptable.

Sadiq Khan: I thank my hon. Friend for his comment. I will come later to the evidence, which is something the Government seem scared of. It proves his point that at the time when the public inquiries are serving their greatest function, they are being abolished. One has to ask why.

A balance needs to be struck between overlapping objectives, but in the Bill the Government have managed to get the weighting wrong in almost every regard. The limits on disparities between seats are too severe and inflexible, the time scale for the boundary review is far too tight, and the abolition of local inquiries in return for an extended window for written submissions is deplorable.

As I have said, because of the programming of the Bill we have dealt inadequately with the speed of the boundary reviews and with the strictness of the adherence to electoral equality. The abolition of inquiries is entirely at odds with the concept of localism and open politics, which my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) referred to a moment ago and which the Deputy Prime Minister, who has called himself the great reformer, has previously professed. In a speech five months ago, which I will quote because it is important that colleagues in the other place hear it, he said:

"I have spent my whole political life fighting to open up politics. So let me make one thing very clear: this government is going to be unlike any other. This government is going to transform our politics so the state has far less control over you, and you have far more control over the state."

How does the abolition of local public inquiries empower people?

To suit their rushed agenda, the Government are simply withdrawing any meaningful element of public participation and consultation, thereby reducing the boundary review process to an opaque, bureaucratic and largely mathematical exercise. The loss of transparency and the ability to comment on and amend proposals will seriously damage the reputation of the boundary commissions. It will erode the high level of trust in their impartiality that they rely on for their reports to be accepted, and the quality of their proposals will be compromised.

Any significant boundary change is likely to cause some level of discontent and controversy, but that will be magnified to previously unknown levels of disquiet if the rigid new rules in the Bill are adopted and 50 seats are abolished. In a written submission to the Political and Constitutional Reform Committee, the secretaries of the four boundary commissions were clear:

"The changes to the total number of constituencies, and the tighter limits on the number of electors in each constituency, will result in a complete redrawing of constituency boundaries."

They continued:

"The electoral parity target may require the Commissions to work with electorate data below ward level in many cases"

and

[Sadiq Khan]

"will result in many constituencies crossing local authority boundaries...the application of the electoral parity target is likely to result in many communities feeling that they are being divided between constituencies."

If there is no procedural outlet for that discontent, the boundary commissions and the entire review process will be rapidly discredited.

Nick Smith (Blaenau Gwent) (Lab): As the Member for Blaenau Gwent, I have a coterminous borough. If I want to get things done, I go to one chief executive and one leader. I talk to the local police inspector or the person who manages the health board locally. According to the Electoral Reform Society, if the proposed change is pushed through, I will have to work with three or four different borough councils, which will make it much harder to be effective as a local politician and to get things done. It will be much more complicated to work on behalf of my constituents, and I will be much less likely to be able to stand up for them, because I will have to deal with numerous officials in all sorts of different places. Surely that is bad for democracy.

Sadiq Khan: That highlights some of the nonsense reasons given by the coalition Government for the Bill. We are told that the Bill will make MPs more effective. Clearly, it will not. We are told that the boundary changes will make things cheaper for MPs. Clearly, they will not. What is clear is that it is not only my hon. Friend who will become a number, but the citizens in his area. That is all for the partisan reasons that I have set out.

Huw Irranca-Davies: Pursuant to the point made by my hon. Friend the Member for Blaenau Gwent (Nick Smith), I should add that, under the ERS proposals, the seat of Ogmore will disappear, and it is no coincidence that the largest majority in absolute terms for any party in Wales is in Ogmore. The seat will disappear and be subsumed into five neighbouring constituencies, all of which will be accountable to two chief executives, two cabinet systems, two sets of social services and two sets of everything, including different police authorities. In terms of simplifying an MP's accountability to his constituents, and of constituents being able to demand good services in one area, the Government are completely shooting themselves in the foot.

Sadiq Khan: I thank my hon. Friend. *[Interruption.]* I hear the chuntering from those on the coalition Government's Front Benches—it is funny how soon some people become arrogant. The Government should test my hon. Friend's proposition. It would be easy: they could have a public inquiry to test whether my hon. Friend is on a frolic of his own or whether his constituents share his concerns about what the changes will bring. Why are the Government running away from local public inquiries?

Mrs Laing: I am very concerned about the points made by the hon. Members for Blaenau Gwent (Nick Smith) and for Ogmore (Huw Irranca-Davies). Does the shadow Minister agree that they cannot possibly be arguing that they are so inefficient and ineffective as Members of Parliament that they cannot cope with more than one local authority? I am sure they are not. For goodness' sake, we all have to cope with different layers of local government. The hon. Member for Ogmore is wrong to say that he is any way accountable to local authority chief executives—that is simply nonsense. Such arguments have nothing whatever to do with this debate and do not hold water.

Sadiq Khan: With respect, may I tell the hon. Lady why she is wrong? My hon. Friends' constituents will have their lives changed because they will have to deal with different people as a result of the boundary changes. Those changes will be made not to make things more efficient, or to save money, but because the system has, for partisan reasons, been based just on numbers. An MP's ability to do his or her constituency a service will be affected. More importantly, however, a constituent's ability to contact the person he or she needs to contact to improve things will also be affected.

Mr Heath: I find it extraordinary that we have these complaints from Members representing small constituencies. They say that it is quite impossible to do something that is normal for half the House. I have three local authorities in my constituency. That is normal on our side of the Bristol channel, but it is apparently impossible on the Welsh side.

Sadiq Khan: If the Minister is so confident in his arguments, why does he not allow the public to make objections and to have a local public inquiry, rather than a bureaucrat in a quango taking only written submissions before reaching a view? The Minister has to answer that question.

Another possible outcome of the proposed consultation is legal challenge by political parties, or local cross-party or apolitical campaign groups, such as Keep Cornwall Whole. Boundary commission decisions could be subject to judicial review. It is worth noting that only one judicial review resulted from the previous boundary review, but in evidence to the Political and Constitutional Reform Committee, Professor Ron Johnston, who is an expert on such matters, said:

"I can well see people using it"

judicial review—as a means of addressing

"the issues that they think they are not able to address because they are not having public inquiries."

Excluding those cases when the only change was the name of the constituency, in the fifth periodic review of boundaries 27% of English constituencies were altered by one degree or another following a public inquiry into commission recommendations. In many cases, those inquiries looked at the local ties of a particular village or town. Most of the participants were concerned about the integrity of their local constituency.

Sir Alan Beith (Berwick-upon-Tweed) (LD): What makes the right hon. Gentleman's argument so unpersuasive to me is that when the people of Northumberland voted in a referendum not to replace their district councils with a single unitary authority, the Labour Government ignored the referendum, which they had organised.

Sadiq Khan: I am not sure what point the right hon. Gentleman is trying to make. We are talking about the abolition of local inquiries. In fact, his is an argument for more scrutiny and checks and balances at local level.

with people giving evidence, rather than relying on written evidence in 12 weeks. If he feels that strongly, he should be embarrassed at how he will vote in an hour and a half.

It is noteworthy that Cornwall MPs tonight found their consciences when self-interest was involved, but for five days in Committee they were absent from the Division Lobby. It is also noteworthy that three Tory MPs were willing to vote in their own interests. The Opposition have been consistent throughout in saying that the Bill is wrong. It is wrong on the principle of losing public inquiries, but it is also wrong because as the Cornwall Members pointed out—there is compelling evidence—the remote communities in Cornwall previously managed to convince the commission to amend its proposals. Many of us believe that the attention given to such local issues is the strength of the current system. Here is the key point: in every single case in which the commission proposed an increase or decrease in the number of constituencies in an area, its initial proposals were amended following a public inquiry.

The hon. Member for Epping Forest mentioned citizens and asked why MPs cannot do their jobs. However, this is not about our jobs becoming more complicated, but about citizens and constituents having a right to have their views heard in a public inquiry. In many cases, including Derbyshire, Merseyside and north-west London, substantial changes were made to initial proposals, as in the Deputy Prime Minister's city of Sheffield. His predecessor appeared at the inquiry and successfully argued for changes to the provisional recommendations. Many times, the commission commented in its report that the assistant commissioner's recommendations improved as a consequence of a public inquiry.

Mr David Hamilton: May I reinforce my right hon. Friend's point? There was a public inquiry in Midlothian before the 2005 election. The commission recommended that the borders be brought into Midlothian and that we take Peebles and Galashiels into my constituency, but after public scrutiny the commission recommended that that would be inappropriate. No city of Edinburgh representative has yet complained because they represent 75,000 people and I represent 60,000 or so. Nobody questions that, because they recognise that the geographical layout of Midlothian is different to that of the city.

Sadiq Khan: My hon. Friend makes an important point, and colleagues in the other place will read it with interest.

In Derbyshire and Derby, the commission made provisional recommendations for the creation of a new seat, but they were rejected in favour of another that the assistant commissioner believed better reflected community ties. The amended proposals moved fewer electors and reduced the disparity. In Devon, Plymouth and Torbay, the commission proposed a division of the city of Exeter that was deeply unpopular with residents. The assistant commissioner believed that the counter-proposal better reflected local ties and reduced the electoral disparity.

In Merseyside, the commission proposed a seat containing parts of both sides of the Mersey that was opposed by almost all those with an interest, and the assistant commissioner recommended a counter-proposal that almost wholly redrew most of the constituency. The Boundary Commission for Scotland proposed a Scottish parliamentary seat crossing the River Clyde estuary that was widely opposed and rejected by the assistant commissioner in favour of a scheme of minimum change. I have many examples of where proposals have been made, local residents have looked at the proposals, there has been a public inquiry, and an assistant commissioner has heard the evidence and changed their mind.

8.45 pm

Gavin Williamson (South Staffordshire) (Con): Of all the changes made by the assistant commissioners, how many were instigated by proposals put forward by political parties?

Sadiq Khan: I was coming to that. I am not embarrassed to say that political parties have a huge role to play in a democracy. We are going around the world, not only lecturing, but helping emerging democracies. They have a lot to learn from us, so hon. Members should be careful of what they throw away in the interests of victories at future general elections.

Mr George Howarth (Knowsley) (Lab): My right hon. Friend prayed in aid Merseyside, but he should not take that argument too far, because Wirral now has a lot of undersized constituencies, while Knowsley, which I represent, has a very large one. It does not always work out perfectly.

Sadiq Khan: My right hon. Friend makes my point for me. There will be many people who are unhappy with how boundaries are drawn up—there always have been, and there always will be—but having a fair process at least makes people believe that they are involved in how boundaries are redrawn. If he is this disgruntled with the old system, let us imagine how he will feel if the only chance to object is by a written submission in a 12-week window that he might not have heard about.

Mr Howarth: My right hon. Friend needs to realise the fact that, because Wirral ended up with undersized constituencies, one constituency in Knowsley disappeared altogether. It was not done as a nice statistical exercise. It was basically done on the prejudices of the people of Wirral, who did not want to be seen to cross the river and be considered as part of Liverpool.

Sadiq Khan: As somebody who does not get the chance to go to Anfield as much as he would like, I take my right hon. Friend's point. I am happy for him to invite me up and show me the consequences of the changes made.

The Bill's new inflexible rules and proposals for an arbitrary reduction in the number of constituencies will mean that the situations I have illustrated will occur in many more areas. At exactly the point when public inquiries will be at their most valuable, the Government are proposing to abolish them. Even those who hold reservations about the workings of public inquiries concede that now is not the time to end their use—quite the opposite in fact. Professor Ron Johnston told the Political and Constitutional Reform Committee:

"where public inquiries had a big impact from what the Commission initially proposed to the final solution was where either a seat was being added to a county or being taken away and then everything was up for grabs and, not surprisingly, there was much more fighting over it".

[Sadiq Khan]

He continued:

"that is an argument for having public inquiries this time because you are drawing a totally new map with new constituencies and nearly everything will be different...This time you are going to have much more where the local people are going to be concerned because suddenly the pattern of representation is going to be very different from what they have been used to for a long time."

Importantly, Professor Johnston's view was echoed by Robin Gray, the former chair of the Boundary Commission for England, who told the Select Committee:

"Particularly with this first round I can see there is a real need for public inquiries particularly to enable those who are interested, political parties and others, to actually argue this through because there are going to be big changes".

He made another important point. He noted that the main responses under the new system will come in shortly before the end of the 12-week deadline, which means that participants will not necessarily know the counter-proposals made. The main benefit of inquiries is that all those with an objection feel that they have had an opportunity to be heard, and can understand the arguments against them and why they might be unsuccessful.

Mr David Winnick (Walsall North) (Lab): My right hon. Friend is making a powerful speech about this travesty of democracy. Can one imagine what the Minister responding to this debate would have said about the proposal were he in opposition? He would have been the most vehement opponent of this denial of democracy. He should be thoroughly ashamed that he is willing to justify what is before us.

Sadiq Khan: Given parts 1 and 2 of the Bill, one has to ask what sort of shabby deal was made in those five days when this Government were being formed. It is clear from the history of our country and the way in which reforms have been made that, for big constitutional change, parties either have a mandate from their manifestos or try to reach a consensus across the Chamber or between the two Houses. No such attempt has been made in this case. The Government are rushing through some of the biggest changes in my political lifetime for the sake of expediency. My hon. Friend was very temperate in his comments.

Huw Irranca-Davies: May I point out to my right hon. Friend the inconsistency in principles at work here? In Wales, we are currently redrawing the local authority boundaries. We are able to make submissions and have hearings. Some people are happy and some are not, but at least they feel that they have had the opportunity to be heard. Many Lib Dem and Conservative local associations have made submissions to that process, and that principle has been accepted by everybody, because they have had that opportunity. What is being proposed is the electoral equivalent of a poll tax, and it is going to bite some people on the bum.

Sadiq Khan: One of the reasons why we have a Public Gallery and open democracy is that people can see democracy at work, even though they may not like what we say or how we vote. One of the reasons why we have open trials is to have open justice, so that people can see what happens in a trial. Not only does due process lead to better results; it also leads to people feeling that they get a fair hearing. In just five months, these guys on the Government Benches have been willing to bulldoze through some of the biggest changes in our lifetimes for the sake of stitching up the next general election.

Henry Smith (Crawley) (Con): We have heard terms such as "denial of democracy" and "inconsistency" in recent interventions, but in a democracy should not everyone ultimately have an equal vote, which should not be decided by special interest groups or the intervention of political parties?

Sadiq Khan: The way it works in a democracy is that candidates stand on a manifesto and people vote for that manifesto, so that those representatives have a mandate. What is not democratic is for two parties to come up with a deal behind closed doors over five days, with no mandate from the British public, and after the election to change their views from what they had wanted to do before the election. Neither of the two parties in government talked about getting rid of public inquiries or about 300 seats, so the hon. Gentleman should ask himself whether he is proud to vote as he will in an hour and a half, to abolish public inquiries.

For the avoidance of doubt, and to answer the important point raised by the hon. Member for South Staffordshire (Gavin Williamson), I do not disparage the active part that political parties play in the inquiry process. It is entirely natural that they are involved and that inquiries are more effective as a result. Indeed, that is what we encourage in emerging democracies.

Gavin Williamson: I actually asked the right hon. Gentleman how many of the changes in question had been the result of proposals put forward by a political party. I wonder whether he has an answer to that.

Sadiq Khan: I will go one better. In a few moments, I will cite for the hon. Gentleman not what I think, but what assistant commissioner Nicholas Elliot QC concluded after he had heard evidence from political parties.

In the fifth review, both Labour and the Conservatives presented carefully researched and reasoned cases to the boundary commissions. That enabled proper arguments and options to be presented to the assistant commissioners. That was hardly illicit manipulation of the process; rather, it was open and transparent, and there was an inquiry. I ask the question: how open and transparent will the process be if people only get to write in and do not have an inquiry, where the public can see what representations are made? It is far better for political parties to get involved than just to have a rigid mathematical formula to decide how seats are drawn up.

Ian Lucas: It is important to highlight the fact that oral representations in a public inquiry will be taken away. Like me, my right hon. Friend is a solicitor. Do oral hearings not very often illuminate far more than written representations ever would, so that all parties, including the person who holds the inquiry, learn much more through that process?

Sadiq Khan: I advise my hon. Friend to be very careful with this coalition Government. In five months, they have got rid of the local public inquiry for the sake of expediency. God knows, next year they may get rid of

the right of appeal to the Court of Appeal and just rely on written representations. They may think, "This democracy malarkey is just too expensive. Let's just have written submissions and then have a vote in our constituencies rather than turning up and having a debate and arguing the pros and cons of an issue." I am astonished that hon. and right hon. Members on the Government Benches, who should know better, are taking through this shabby piece of legislation.

Another criticism, which came from the hon. Member for Epping Forest, is that the local inquiry takes too long. The final and most lengthy inquiry, the fifth review, was in Greater Manchester and took more than two weeks. The assistant commissioner, Nicholas Elliot QC, made the following observation:

"The advantage, sitting as an Assistant Boundary Commissioner, is that one gets from the two major political parties that they equally look at the overall picture in somewhere like Greater Manchester where it has to be done, whereas others examine it from their own perspective. The difficulty of the Assistant Commissioner is that you do have to look at the overall picture, and it is only those two major political parties who do provide very, very great assistance in trying to come to what may be the best or worst answer."

John Mann: It is good to use Manchester as an example when one talks about public inquiries. South Manchester has the highest concentration of university students in western Europe. Is not one of the anomalies that boundary commission inquiries might need to take evidence on the fact that university students will be able to register in two locations? Therefore, there will not be equal-sized constituencies. What we will have are university constituencies with a significant number of dual registrations. There could be as many as 15,000 people who are dual-registered and choose to vote in their other constituency. The concept of equal votes in equal constituencies is thrown out of the water. Is that not the sort of thing that the boundary commission, even with this rotten legislation, would want to have a look at?

Sadiq Khan *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. As the right hon. Gentleman rises to answer that intervention, may I remind him that he is supposed to be addressing his remarks to the Chair, and not to have his back to the Chair?

Sadiq Khan: It is with pleasure that I address the Chair, Madam Deputy Speaker. May I tell my hon. Friend that one of the important things about an oral inquiry is the fact that such points can be teased out. The ability of the assistant commissioner to tease out and uncover points is hindered by written submissions. My hon. Friend raises a serious point.

The tradition of boundary reviews is that they tend to be politically uncontentious. All those with an interest—political parties, local authorities, community organisations and individuals—have the opportunity to participate. The commissioners adopt the recommendations of assistant commissioners only because they believe them to be improvements on the proposals. Such recommendations come not from the political parties, but from the assistant commissioner after he or she has heard evidence from the community. Political parties are part of that community—I am proud to be part of that community—and the same judgments are unlikely to be reached based solely on a written consultation. The inquiry allows all those with an interest to comment not only on the commissioner's proposals but on those of others, so that all counter-proposals are tested in the same way. Such transparency and engagement is what gives legitimacy to the boundary review process. This Bill, with clause 15 left unchanged, would remove the opportunity for the public to have a meaningful say over the reform process and would replace a transparent system with an opaque one.

Huw Irranca-Davies: My right hon. Friend will know individuals who never put pen to paper and who do not have the capacity to articulate their views in written form, but who can stand up and speak eloquently for their communities at a public meeting and turn an argument on a dime. Who are we, as parliamentarians, to deny such people the opportunity to have their say ever again? Are the Government arguing, rather, that those people should go to the offices of their MPs or councillors and sit with them while they write out their complaints?

9 pm

Sadiq Khan: As ever, my hon. Friend makes a good point. Another, linked, point is that assistant commissioners often visit areas under consideration, once they have been pointed out by members of the public or by MPs. Evidence from such senior people is invaluable when recommendations are being made.

It is in the context of the biggest shake-up of constituency boundaries in modern times that the Government are abolishing public inquiries. The next review will be critical for other reasons as well. Concerns are already being expressed about the legitimacy of the next election.

Geraint Davies (Swansea West) (Lab/Co-op): Does my right hon. Friend accept that giving primacy to numbers as opposed to community and geography, combined with not having a transparent appeals system, could result in boundaries drawn purely on the basis of political gerrymandering, in the knowledge that those adjudicating on those decisions in private will not be required to take account of geography, community, culture or history and will therefore accept what could simply be bizarre drawings for the party political advantage of the Government?

Sadiq Khan: My hon. Friend's point would have less force if the coalition Government were taking time to ensure that the 3.5 million electors who are not on the register were put on to it, if they were to wait and see what happens as a result of next year's housing benefit changes, and if they were to wait for the results of next year's census. They are rushing this Bill through, however, and my hon. Friend's point has some force.

The Bill will mean that the next election could be held under a different voting system and with 600 constituencies instead of the present 650,—and also a referendum with differential turnouts. Questions are already being asked about the legitimacy of the next general election. Why add to that by taking away due process and natural justice? By taking away the opportunity to hold a public

[Sadiq Khan]

inquiry, the coalition Government are eroding the legitimacy of a system for redrawing boundaries that is the envy of the democratic world.

Mr David Hamilton: Surely it cannot be right that in Scotland, at the end of the 10-year period between 2005 and 2015, there will be 25 fewer MPs. That means that 31% of the representatives of Scotland will have been wiped out in that short period of time. What does that say about democracy?

Sadiq Khan: This is what we call the respect agenda. I hope that when those in Scotland have seen the Bill rushed through, the way in which the debate has been stopped—the hon. Member for Epping Forest mentioned "truncated" contributions—and the number of MPs who have not been allowed to make a contribution, they will form their own judgment.

We do not want to stop being the envy of the democratic world, and I commend my amendment to the House. I ask those colleagues who are watching the debate in their rooms to do the right thing and support amendment 15.

Mark Durkan: I rise to speak to amendments 194 and 195. Before I address them specifically, however, I shall comment on one of the amendments tabled by members of the Select Committee, with which I have a fair degree of sympathy. I must express my slight reservation, however, about the wording of proposed new subsection A2(a) in amendment 205. I am worried that, by asking a boundary commission to publish the criteria it would use in the splitting of wards, we could end up inviting the commission to split wards more than we want. The Bill proposes that wards should not be split, and I think that most Members agree that local government boundaries should not be split. I am worried that that proposal could result in more wards being split than people would want. I would still support that amendment on a vote, however.

Amendment 195 deals with the Government resisting all attempts to keep local inquiries as a general option. Under my proposal, at least Northern Ireland would be allowed the option of holding a general regional inquiry in relation to all the seats in Northern Ireland. This proposal is a fall-back measure.

I want to make it clear that I absolutely support the amendments that would preserve the opportunity of holding local inquiries throughout the United Kingdom. The right hon. Member for Tooting (Sadiq Khan) made a powerful speech in support of preserving inquiries and their important role. I know that other colleagues will propose other amendments to preserve inquiries.

I thought that the hon. Member for Epping Forest (Mrs Laing) was quite disparaging about the role of inquiries, submissions and contributions to inquiries. First, where political parties make shallow, self-serving submissions about boundaries and where specious and spurious claims of local identity and local interests are made, there is no better way of exposing them than local inquiries. By their very nature, local inquiries expose, counter and introduce other realities.

The hon. Lady's speech was about the rule of arithmetic, and I agree that this is what the Bill is about—the tyranny of arithmetic for boundaries in the future. She says that it does not matter. For her, traditions do not matter; local conditions do not matter; identity does not matter; community does not matter—it is all going to be driven by a numerical imperative that says "one size fits all" and nothing else can be considered. An official of the European Commission would be proud of that mindset. It is exactly the mindset that the hon. Lady usually criticises in the European Commission. As well as backing the "IPSA-fication" of boundaries in the future, she is now backing a European Commission standard that says, "No, we just deal in numerical arithmetic; we see only one size fitting all; we make no concession to local realities or local conditions."

Mrs Laing: I rise to defend myself, because that is not at all what I said. On the contrary, communities and local traditions are very important. It is important to have a parish council representing a village and to have Cornishmen feeling Cornish and caring about Cornwall—nobody is changing Cornwall. It is very important to respect local history and the feelings of local communities. That is not reflected in the boundaries of parliamentary constituencies. There are many other ways in which those traditions and communities are respected, observed and upheld. It is not in the boundaries of parliamentary constituencies—

Madam Deputy Speaker (Dawn Primarolo): Order. Interventions should be short, not a second speech.

Mark Durkan: Thank you, Madam Deputy Speaker. I take no responsibility for the possibility that the boundaries of interventions were exceeded there.

I would take the hon. Lady's point if she had said that in her speech, but that was not the attitude she conveyed. Then, it was the numerical imperative that was going to achieve an equality that she believed overrode every other possible consideration, including those that she has just outlined. Boundary commissions have been able to ensure that these sorts of local considerations are brought to bear on the construct of parliamentary constituencies. In future, after this Bill, however, that is going to be hard.

I do not accept that we should lose the ability to have local inquiries in general as part of electoral reform, but my fall-back amendments are designed to protect the particular circumstances of Northern Ireland, where, as I said when speaking to earlier amendments, it needs to be borne in mind that the parliamentary constituencies are, by statute, also the constituencies for the Northern Ireland Assembly. Many of the issues that will come up as matters of local contention and perhaps even party political controversy will pertain as much to the Assembly constituencies as to other constituencies. Of course, the Northern Ireland Assembly is elected on the basis of proportional representation, which is meant to be about giving equal weight to votes, including those of minorities in particular Northern Ireland constituencies. That is part of the agreement. We want to ensure that, rather than decisions in Northern Ireland being driven by robotic computer-generated arithmetic suggesting boundaries that will secure the numbers that fit, a local regional inquiry can take account of the different interests—not just party interests, but civic and local community interests.

Mr MacNeil: Is the hon. Gentleman suggesting—and all of us in the islands must bear this in mind—that there will be a particularly destabilising effect on Northern Irish society? We know what a destabilising effect on Northern Irish society might mean. Is that the main cause of his concern?

Mark Durkan: I do not want to dwell on this, because I spoke about it in the context of an earlier amendment, but we should bear in mind that the boundaries will be revised in every single Parliament and Assembly as a result of the Bill. Given the way in which the seats will be distributed in the various parts of the United Kingdom, the chances are that the number of seats in Northern Ireland will fall following one boundary review, rise following the next, and then fall again.

The unsettling nature of the reviews will affect Assembly and parliamentary constituencies. A computer will say, "This is what we have to do," and it is possible that constituencies will receive the word that the computer says that there must be a reduction from 15 to 14 following the next boundary review. That will be hugely destabilising, and people will feel frustrated when they are told, "Sorry, this pays no regard to the Northern Ireland Assembly." Another of my amendments, in a subsequent group, would enable the Speaker of the Assembly to be notified formally of all the workings of the boundary commissions. That would make at least some acknowledgement of the impact on the Assembly, which is completely absent from the Bill.

I believe that if the Government are refusing to allow local inquiries elsewhere—and they should not do that—they should at least allow, as a fall-back, a general inquiry in Northern Ireland that will take account of its particular circumstances. I will support any and all amendments that defend local inquiries.

I ask Members to bear my amendment in mind; I ask the Government to continue to acknowledge that there is a deficit in the consideration that they have given to Northern Ireland in the Bill, and to be ready to make up for that deficit.

Mr George Howarth: It is a great pleasure to follow my hon. Friend the Member for Foyle (Mark Durkan), who always speaks with a deep understanding of Northern Ireland, with a great passion for Northern Ireland, and, of course, with eloquence.

I was elected in a by-election in 1986 to represent a constituency that was then known as Knowsley, North. I represented Knowsley, North in the House until 1997. Following earlier boundary changes—a public inquiry had been held before the boundaries were finally fixed—I ended up representing a constituency known as Knowsley, North and Sefton, East. I represented Knowsley, North and Sefton, East for 13 years. In the meantime, the boundary commissioner came along again, and I now represent a constituency known as Knowsley. I therefore speak as one who has experienced dramatic boundary changes in my constituency on two occasions.

I think it instructive to examine what happened on both those occasions. On the first occasion, when the boundary commission proposed that the Knowsley, North constituency should be coupled with Sefton, East, a public inquiry was held. Different views were expressed on either side of the boundary about what was and what was not appropriate. People had their say. I attended the inquiry on more than one occasion, and heard the debates about what links existed between the two constituencies.

Two facts emerged that tipped the balance. The first was that a large number of people living in the Sefton, East part of what subsequently became the Knowsley, North and Sefton, East constituency worked in Knowsley, which was an industrial area. The second was that many people travelled between the two areas for leisure purposes.

The leisure centre in Kirkby, which was in the old Knowsley, North constituency, was heavily used by people from Maghull, Aintree and Melling, so a link was established, but it would never have been established—nobody would have even checked the statistics on this—unless there had been a public inquiry. In the end, the original Boundary Commission proposals stood and the new constituency was formed; it became a parliamentary seat at the 1997 general election.

9.15 pm

My constituency's second boundary change took place before the last general election. I made some comments about the Wirral earlier and, on reflection, perhaps I overstated the case. I think I said that we ended up with the boundaries we have got because of prejudices on the part of the people in the Wirral. Prejudice is probably too strong a word, so let me retract it. However, what did clearly emerge was that because of the arguments put by the people of the Wirral, we have undersized constituencies in that part of the county of Merseyside, whereas on my side of the river in Knowsley, we have the opposite.

It is rather like a county. I will come on to counties shortly, because I realise it might sound as if I am arguing against myself. Let us consider constituencies within a county with reference to the idea of a balloon. If we squeeze some air out of one part of it—air being the electors—it will emerge somewhere else, and it emerged in Knowsley. I now represent a constituency of just under 80,000 people, whereas some Members of Parliament in the Wirral represent under 60,000. The Government's argument would be that if we equalise that, it would not matter, but I honestly believe that 80,000 electors is too many for an MP to be able to represent adequately. It is not that, as the hon. Member for Epping Forest (Mrs Laing) said, I am too lazy or incompetent to do that; it is just really difficult.

I now want to talk about some of the practical implications of the two changes I have experienced. The first of them is to do with representing a constituency that is partly in two different boroughs. The Knowsley, North and Sefton, East constituency was slightly less than half in Sefton with the rest in Knowsley. Many Members on the Government Benches represent areas where that is already the case, but most of them are probably not in metropolitan districts. For Members with constituencies that are in a metropolitan district rather than a shire county, the powers of local authorities, primary care trusts and so forth are much more important and much more focused. For 13 years, I represented a constituency that had two primary care trusts, two hospital trusts, two local authorities and two different area police command divisions, and dealing with that is very difficult. Apart from the practicalities of needing to keep lists of everybody we have to deal with, we deal with areas that have different kinds of crime, different

kinds of health problems and different kinds of relationships with their local authorities. That does make a difference. My hon. Friends the Members for Ogmore (Huw Irranca-Davies) and for Blaenau Gwent (Nick Smith) made that point quite well, and I support it.

Now if, as seems perfectly possible under the provisions in this part of the Bill, we start to say that county boundaries can also be crossed, the problem could be compounded even further. At some points, my constituency is right on the edge of West Lancashire—indeed, it is on the edge of a lot of other constituencies. It is perfectly possible that if this Bill goes ahead as it is, my constituency could end up containing part of Lancashire, as could the constituency of my hon. Friend the Member for St Helens North (Mr Watts). That would involve a whole different set of relationships, and my hon. Friend and I could find ourselves motoring up and down to Preston on an almost daily basis in the recesses as we try to represent another county, as well as the metropolitan county in which we are located.

Mr Dave Watts (St Helens North) (Lab): My right hon. Friend will be aware that the last time the number-crunching took place the Boundary Commission recommended that one constituency should be half on one side of the river and half on the other. How does he feel he could represent a constituency that had the River Mersey running between its two halves?

Mr Howarth: I do not think that that would be impossible. After all, two tunnels and a bridge run between the two areas, and there is a proposal for a further bridge. I do not think it would be beyond the wit of man, or even my hon. Friend and me, to commute either under a tunnel or over a bridge. The point is that, as I said a little earlier—I do not know whether he was in his place at the time—the consequence of the arrangements is that we have undersized constituencies in the Wirral and oversized constituencies in some parts on the other side of the river.

Sadiq Khan: Is the point not that under the Bill, as drafted—I refer to clauses 11(2) and 11(5)—numbers trump everything? All the points made by my right hon. Friend and by other hon. Friends do not matter a jot, because numbers trump everything.

Mr Howarth: Yes, and my right hon. Friend may not have realised it, but I am actually supporting his argument. The point I am making is that a public inquiry is able to examine any problems that are thrown up as a result of that, and that is why I am supporting his amendment 15, which would create the circumstances in which public inquiries could still be held.

Dr Whitehead: I wonder whether my right hon. Friend, in reflecting on the problems of the Mersey, might also consider the issues of the Solent and the proposition that 40,000 people will be taken away from the Isle of Wight and distributed to a constituency somewhere in Hampshire. They know not where, they would have no say in where that might be and, as far as I can see, the Boundary Commission may not even be able to determine whether a ferry actually connects them with where they might go. Does he think that that is a reasonable way to proceed on a boundary change—with no public inquiry and no input into what might happen in future?

Mr Howarth: It is very tempting to be taken down the road that my hon. Friend seeks to lead me, but having spent a lifetime struggling with the problems of the Mersey I am hardly likely to spend what remains of my life struggling with the problems of the Solent. He makes his point effectively.

My key point is that there are practical implications to such changes. They need to be examined and the best way to do that is in a public inquiry. The hon. Member for Epping Forest (Mrs Laing), for whom I have some affection—she referred to Socrates, so perhaps at this point I should say that it is entirely Platonic—outlined the argument that this issue is not important and that a lot of these inquiries were vexatious and just held for the benefit of political parties. I do not think that is true. My experience of having sat through two public inquiries into major constituency boundary changes is that people from the community—people from community groups or individuals—come along, express their opinion and either it is taken into account or it is not. If there is a valid objection, it will often be taken into account: if not, not. The point is that they are the most important people in that inquiry. It is important to them with whom they are linked in a parliamentary constituency.

I come back to the point that my right hon. Friend the Member for Tooting (Sadiq Khan) was making: of course there needs to be fairness on the size of constituencies, but if we reach the point where they are purely mathematical entities and if everybody changes—if it is like a roundabout, where someone jumps on at one point and jumps off at the next election, finding themselves representing an entirely different constituency—the relationship between the constituency, the Member of Parliament and the people whom that Member of Parliament represents will change dramatically. Not only will those constituencies be a mathematical entity, but Members of this House will start to view them in that light. That will dramatically change the relationship with our constituents.

John Mann *rose*—

Nia Griffith (Llanelli) (Lab) *rose*—

Mr Howarth: I shall give way to my hon. Friend the Member for Bassetlaw (John Mann) and then to my hon. Friend the Member for Llanelli (Nia Griffith). Then I really do want to finish this speech.

John Mann: I thank my right hon. Friend for generously giving way, and he is making an excellent point. Will the problem not be further and particularly compounded by the fact that with individual registration proposed for 2014-15, there will be a huge ripple effect throughout the country—particularly in areas where there are university residences with large concentrations of students who are automatically registered by the university authorities? If students are not automatically registered, there will be a huge ripple effect throughout the country that will alter the boundaries significantly in every constituency?

Mr Howarth: My hon. Friend is quite right. The ripple effect in a metropolitan county such as Merseyside, which I described earlier, would go right through the country.

Nia Griffith: I thank my right hon. Friend for allowing me to intervene. Does he not agree that the key point about public inquiries is that rule by consent is the basis of democracy? If people, because of the abolition of public inquiries, feel that they have no voice—if they feel that they have no chance to make their opinions heard, whether or not their opinion is the one that is found in favour of—that will do absolutely nothing to get rid of the cynicism about democracy and nothing to help people to take part. That will bring the coalition Government into absolute disrepute.

Mr Howarth: My hon. Friend put that argument very well indeed and I would struggle to find the words to match what she has just said.

Let me conclude. I genuinely believe that what is proposed by taking away public inquiries as part of the process is that the relationship between constituent, Member of Parliament and constituency, which is already fractured, will split completely. I think we will end up in a situation where constituencies are simply ships of convenience. I hope that that day never comes and that the Government will at some point wake up and realise that this is not the right way to do things.

Mr Dodds: I want to speak in support of amendment 209, tabled in my name and that of my hon. Friend the Member for South Antrim (Dr McCrea), as well the consequential amendment 210. It would delete proposed new section 5(2) from clause 12 so that the status quo was maintained and a public inquiry could be held by a boundary commission. As that is the purpose of my amendment, I have no difficulty in lending my support and that of my hon. Friends to amendment 15, proposed by the right hon. Member for Tooting (Sadiq Khan). As regards the other amendments in this group, I am happy to support amendment 194, tabled by the hon. Member for Foyle (Mark Durkan). As he said, it is a fall-back provision if the House decides to do away with the option of having local public inquiries in general. At the very least, I agree that there should be such a provision that would cover Northern Ireland as a region because of the particular circumstances that he so ably outlined.

I want to make a few general comments very briefly, then a couple that relate specifically to Northern Ireland. First, we have had a very good debate. Everyone who has spoken in this and the previous one spoke against the Bill and its provisions. I have not heard many speeches in support of it, other than from those on the Government Front Bench. *[Interruption.]* I am sorry: the hon. Member for Epping Forest (Mrs Laing), who has returned to her place, strongly opposed part 1 of the Bill on the alternative vote, so she is in the category of having opposed the Bill on some matters but, as she made clear, she would go much further than the Bill does on other matters. I got the clear impression that she would be happy to do away with constituencies altogether and have one great list system in which everyone voted in relation to the entire country. She might be happier with such a system, but we shall not rehearse that debate as we have already had exchanges on it.

9.30 pm

Given that no mandate has been sought by or given to either of the coalition parties on either the AV provisions or on reducing the number of seats from 650 to 600, given that there has been no Speaker's Conference and no pre-legislative consultation, and given that no cross-party consensus has been sought or given and that there has been no consultation with any of the devolved Administrations, it is all the more appalling and reprehensible that there should be no opportunity for people to give oral evidence to, or to query, the boundary commission proposals at a local public inquiry. The coalition Government talk about new politics, openness and transparency, but I think that these measures will be for ever cited as a damning indictment of their real approach to this issue.

Given the scale and unprecedented nature of the changes to boundaries and constituencies and given that the measures are driven by the need to do this quickly for reasons of political expediency, it is absolutely essential that we should have public local inquiries. It is vital to ensure that people in local communities know what is going on and what is being proposed, that they are able to participate fully in the process and feel ownership of it, and that there is transparency and openness in the entire process. In my experience and that of the people I represent, the taking of such an approach has made a difference.

As the hon. Member for Foyle will know, not long ago the Boundary Commission for Northern Ireland proposed to reduce the number of seats in Belfast from four to three and there was an outcry. The hon. Member for Epping Forest said that there was never an enormous outcry about constituency boundary changes, but I can tell her that there was about the prospect of the Belfast boundaries being changed. Of course, she can imagine why that might be, given what it would mean with regard to who would be representing certain people in certain areas. More recently, when it was proposed that a particular community should be moved from the Lagan Valley constituency into the Belfast West constituency, that community spontaneously and of their own volition made strenuous objections to the proposal. They went to the public local inquiry, raised their concerns, were interrogated on them and ultimately made a difference to the outcome. The effect is all the greater because some Northern Ireland constituencies are not represented in this House as their elected Members deliberately abstain from and boycott the House by not taking their seats here, so these things matter to people in Northern Ireland. That is why we need public local inquiries to take account of such local issues.

As has been mentioned, the proposed constituency changes will affect representation not only in this House but in the Northern Ireland Assembly. Some of the issues pertinent to the boundary changes are therefore relevant not only to the make-up of the House of Commons and how people are represented here, by a single elected Member, but to multi-Member constituencies in the Northern Ireland Assembly. I do not underestimate the fact that people in Northern Ireland have for many years put a great premium on stability and having a consensus moving forward.

Now we risk—almost as an aside, almost as an incidental of the Bill being rushed through—upsetting a delicate political equilibrium, a point that was made by the right hon. Member for Torfaen (Paul Murphy), the former Secretary of State, in his contribution. We risk that

equilibrium being thrown into turmoil. All sorts of unintended consequences could emerge from that, so I urge caution.

At the very least, if the Government are not so minded and the House does not support my amendment or amendment 15 in the name of the right hon. Member for Tooting, the Government should allow Northern Ireland, through amendment 194, to have the opportunity of its own regional inquiry. I urge the House to think carefully before it does away with the right of local public inquiries to have the oral evidence presented, to allow people to participate and to have their concerns investigated in detail.

Mr MacNeil: It strikes me that there is cross-community agreement on local public inquiries as the Northern Ireland fall-back position. Does the right hon. Gentleman hope that if the Government do not listen here, they might listen in the other place?

Mr Dodds: I thank the hon. Gentleman for his intervention. Given the experience of recent days, and the Minister's references to the time that has been allowed for debate—a couple of hours this afternoon and this evening to debate these very important matters concerning the number of seats and the abolition of the age-old right to have local public inquiries—I am confident that the other place will examine these matters in great detail and will, I hope, bring common sense to bear.

Paul Murphy: My right hon. Friend is making an important point. Is he aware that, so far as I know, there is an anomaly that in Northern Ireland, Scotland and Wales the Boundary Commission inquiries for UK parliamentary constituencies are to be abolished, but remain for the two Assemblies and the Parliament?

Mr Dodds: In Northern Ireland, the parliamentary constituency boundaries are the Northern Ireland Assembly boundaries. I know the position is different in Scotland and Wales. That is why, at least for Northern Ireland—and for all the reasons that I and others have outlined this evening, it should be the case for the whole country—I appeal to the Government to think very carefully about the implications for our country of the decision to push ahead with abolition.

Dr Whitehead: Almost all of us are aware of the purpose of the abolition of inquiries into boundary changes. It is about expediency, getting the process through as rapidly as possible, and airbrushing out a particularly important part of the process in order to do that.

I do not accept the idea that because boundary commissions have not changed an enormous amount in the past, that is likely to be the case in future. Because of the wholesale changes that are being made in the rest of the Bill, boundary commission public local inquiries will probably be more important in future than was the case in the past.

In the Parliamentary Constituencies Act 1986, the most recent iteration of the rules for the redistribution of seats, we see, as other hon. Members have mentioned, a balancing arrangement between the idea of equality in representation, between various local considerations, and between representation and decision making. As a result of that relatively balanced mechanism, it is fair to say that the boundary commission process has worked pretty well, without enormous public outcry at its past decisions.

Looking ahead, we find that the Government are removing not only most of the checks and balances that were in the boundary commission arrangement, but the very last check and balance whereby, after that whole process has taken place, the public have an opportunity to question, have their say and find out why those changes are taking place in the way that has been suggested. The idea that that should be replaced with a procedure that is simply not transparent is a complete rejection of all those previous checks and balances, and a rejection of the principles put forward—I am sorry if this sounds ad hominem—by a Minister, the Deputy Leader of the House, for whom I have a great deal of respect, but who would have made exactly the same arguments about public representation, the public's say and the due process of democracy until one day before the election.

I do not know whether a particular event in Greece, and the electoral practices there, caused the hon. Gentleman to change his mind on the matter, but over the years a large number of Liberal Democrat constituency parties have been active participants in those processes, and he will have to go to them and say, "Actually, you can't do this any more, because I've thrown this out of the window as part of a deal to get something else through." They will be aghast at what has happened to the principles that they previously put forward.

Ian Lucas: Does my hon. Friend know whether any party standing at the last general election had as a manifesto commitment the abolition of public inquiries by the boundary commission?

Dr Whitehead: As my hon. Friend will know, peruse though one might, it is not possible to find such a pledge. If any party had put such a pledge in its manifesto at the last election, that itself would have been the subject of an internal public inquiry, because of what it would have said about that party's commitment to the process of electoral change.

On the differences that the boundary reviews will make, I refer to the Isle of Wight, which is close to my constituency but separated by a substantial body of water, the Solent. The proposal, which is likely to come to pass, is that 40,000 people will be taken out of that constituency and distributed somewhere else in Hampshire—they know not where. *[Interruption.]* They will stay on the Isle of Wight, but for the purposes of political representation they will join another constituency.

The Boundary Commission will have a certain say in the process, because it will have to decide which 40,000 people on the island go to various other parts for their representation. It may decide that they will go to Portsmouth, to Southampton or to the New Forest. Each area has a connecting ferry service to the island, but I am not sure whether the commission can even take into account whether the people and the ferry service should be connected, given the changes that will be made and the Government's conditions for the new arrangements.

All that will be done on the basis of a boundary commission decision—no public inquiry, some representations and no explanation. That represents a

serious and fundamental change to the representation of, admittedly, just one constituency, but the process will be repeated throughout the country in a substantial if not such an extreme way, and if that is not a negation of the public's right to understand what is happening to their own political processes, I do not what is or will be.

We must vote for amendment 15, which would reintroduce the idea of a public inquiry within particular boundaries and for particular concerns to ensure that it was conducted seriously and not frivolously. The idea that the public should have their say in who they are represented by, how they are represented and where their representation takes place has been a fundamental part of our electoral system for many years, and to throw it out of the window for expediency is a move that will be regretted and a move that we should reject.

Mr Heath: Let me start by thanking the hon. Member for Epping Forest (Mrs Laing) for speaking to the amendment on behalf of the Political and Constitutional Reform Committee on which she serves. It is a great pity that the Chair of the Committee, the hon. Member for Nottingham North (Mr Allen), is not also present in order to support its view.

9.45 pm

The hon. Lady said that nobody ever listens to a word she says. I have to say that that is not entirely the case, because I remember in Committee of the whole House she very eloquently put forward the views of the Select Committee that the Government should not be able unilaterally to change the views expressed by the boundary commissions before presenting them to Parliament. We listened to what she said on behalf of the Select Committee, and we have tabled amendments to put that into effect; they will be debated in due course.

Mrs Laing: On behalf of the Select Committee, I thank the Minister and the Government for listening and acting accordingly.

Mr Heath: I am grateful to the hon. Lady. The Select Committee has done a very good job in raising some important issues.

Amendment 205 would add a stage to the consultation process that the boundary commissions are required to carry out for the purposes of the review. Prior to making recommendations, the commissions would be required to publish online their proposed approach to the application of the rules and factors. A consultation period of eight weeks would follow, and the commissions would be required to take the results into account. We have set a deadline of October 2013 for the commissions to report to allow parties, administrators and electors to adjust to the new boundaries prior to the general election in 2015.

An increase in consultation time of eight weeks could delay the reports, making it harder to prepare for the next general election. In effect, the time added to the process by the amendment would be much greater, as the commissions would have to publicise their proposed approach and assess the representations received before taking the many and complex individual decisions required to put together their recommendations. The Government believe that the right place to debate the approach that the boundary commissions must take is in Parliament. The importance of that is highlighted by the fact that the Bill had its Committee stage on the Floor of the House. The boundary commissions will carry out the review according to Parliament's wishes, as has always been the case.

In any event, I do not consider that the commissions' general approach, divorced from the resulting recommendation for particular constituencies, is a subject on which wide consultation is appropriate. It is the effect of the recommendations on a person's local constituency or local area on which it is important for them to have a say, and the Bill increases the period for them to do so. Consultation on a general approach is likely to lead to many responses that are based not on genuine concern about the approach but on guesswork as to what the effect of that approach might be in a local area. But until the commission has taken all the many individual decisions necessary to formulate its recommendations, it will be impossible to predict the effect on a particular area.

I hope that it will reassure hon. Members that during the previous review the Boundary Commission for England produced a booklet prior to the publication of recommendations which gave information about the review. There was also extensive use of the commissions' websites to inform interested parties about all aspects of the review.

Amendment 206 proposes a new set of publicity and consultation rules under clause 10. I hope to reassure hon. Members who tabled the amendment that it is not necessary as it reflects the practice that the boundary commissions are likely to follow in any event. The boundary commissions made extensive use of the internet in publicising the last general review and, although it is for them to decide, I am confident they will do likewise this time. The information that they published at the time of their recommendations included the electorate figures mentioned in the amendment.

I believe that it is important to allow the boundary commissions discretion to present their recommendations and relevant accompanying information as they think best, taking into account the particular circumstances with which they are dealing and the changing way in which people obtain information and communicate. On that basis, while I do not disagree with the principle underlying the amendment, I do not agree that it is desirable for the Bill to particularise the commissions' practice in legislation to the extent that the amendment proposes.

The amendment would also expressly allow representations to be made by people within or outside the affected constituency. That is presently the case, and the Bill does not change that. New section 5(1)(b) of the Parliamentary Constituencies Act 1986 follows the existing section 5(2) in that respect. The boundary commissions are likely to publish recommendations for a number of constituencies together as a scheme, and the proposals for one constituency will undoubtedly affect those for others. It is important that interested parties both from within a proposed constituency and from neighbouring constituencies may make representations to the commissions for alternative schemes that work within the rules, and the Bill does not prevent that from happening. While I understand the concerns of the hon. Member for Epping Forest, it is not necessary for the wording that appears in the amendment to be in the Bill. On that basis, I hope that she will feel able to withdraw the amendment.

[Mr Heath]

I now turn to more general points about local inquiries. It was interesting to listen to the right hon. Member for Tooting (Sadiq Khan) outline the Opposition's case. I am glad that in this evening's debate, we have not heard local inquiries described as appeals, because of course they are not. They are part of the process of information gathering, listening to the views of local people and weighing them up as part of the due process.

The process suggested in the Bill maintains that principle. Indeed, it actually extends it. It is vital that the boundary commissions fully consult all interested parties on proposals for changes to constituency boundaries. We all accept that: Local people in particular must be able to have their say. However, the Government believe that it would be a mistake to imagine that local inquiries achieve that objective, and there is independent support for that view. The Bill abolishes them for three major reasons. First, we simply must speed up reviews.

Chris Bryant: Why?

Mr Heath: I am telling the hon. Gentleman why, if he will just listen.

The boundaries in force in England for the first time at the general election in May were based on electoral register data that were 10 years out of date. I do not think that is acceptable, and nor should Opposition Members.

Mr George Howarth: The Deputy Leader of the House makes a fair point that those registers were out of date. Does he believe it is of equal concern that 3.5 million people will not be registered by the time the new constituency boundaries are drawn up?

Mr Heath: Yes, it is very important that we get people registered, and it is an indictment of the previous Government's conduct that they totally failed to deal with the gap in registration. However, I have to say that it is not relevant to the issue before us at the moment.

Sadiq Khan: The Deputy Leader of the House will be aware that the average time taken for a review in the current system is six years. In his new system it will be three years. Bearing in mind that he has conceded that people will still be missed off the electoral register, is not the real reason for the rush that he wants the change before the next general election rather than the one after?

Mr Heath: It is hardly a secret that we want a general election based on fair constituencies, and I do not think that is an unreasonable aspiration.

The second reason why we are abolishing the public inquiries is that they do not achieve their purpose. They do not provide the boundary commissions with a good indication of local opinion to aid them in the process of drawing up constituencies. [HON. MEMBERS: "How do you know?"] I will tell Members how I know—academics have been clear on that point for a number of years. Professors Butler and McLean, in their evidence to the Committee on Standards in Public Life in 2006, argued that a faster approach could

"simplify the system without leading to any significant decline in equity."

Oral inquiries were described by Professor Ron Johnston and his colleagues, whom the right hon. Member for Tooting quoted several times, as

"very largely an exercise in allowing the political parties to seek influence over the Commission's recommendations in which their sole goal is to promote their own electoral interests."

That is why the right hon. Gentleman and his friends like the system at the moment. It gives the power to the parties, not to the public.

Sadiq Khan: The Deputy Leader of the House makes an interesting point and quotes a generalised point that the professor made, but did not he and many other experts also make the specific point that bearing in mind the huge changes that are to be made, this is the one occasion if any when a public inquiry is essential?

Mr Heath: No, it is the one occasion when it is absolutely essential that we have the fullest possible consultation process, and that is why we are extending the consultation period for three months, allowing every single person to have their say, not just the political parties that want to turn up at public inquiries. I hope the right hon. Gentleman recognises that.

Julie Hilling (Bolton West) (Lab) *rose—*

Ian Lucas: Will the Deputy Leader of the House give way?

Mr Heath: No, I have got to make progress.

The third reason for abolishing inquiries is that they rarely lead to significant changes in recommendations. The statistics that are often prayed in aid of local inquiries usually group together many different constituencies and include changes solely to the names of constituencies, to inflate the figure of the proportion that lead to change. The truth, as Professor Johnston told the Political and Constitutional Reform Committee, is:

"Public inquiries often have no impact."

The changes are frequently minor. For example, at the time of the fifth general review in England, only 2% of wards in counties where inquiries were held were moved between constituencies as a result.

What the Bill does—*[Interruption.]* No, let us deal with what the Bill actually does. It improves the process of public consultation, so that the public will be better able to have their say on proposals. That is why we are extending the period for representations on proposals from one month to three. Where a boundary commission revises proposed recommendations, the period of consultation on the revised proposals will be the same.

In making that decision, the Government have considered the approach taken in other nations. We looked at the example of Australia, which has a 28-day consultation period for proposed recommendations, followed by 14 days for comments. The Government propose a longer consultation period of three months.

Mark Durkan: The Deputy Leader has said that where a boundary commission reviews its recommendations, they will be subject to a further period of consultation, but a second revision will be final, and there will be no consultation. An appeal will involve people turning to the Secretary of State, who may, under the Bill, prepare

an Order in Council with or without modification. The Secretary of State can therefore change things, but the public cannot appeal.

Mr Heath: I would answer the hon. Gentleman in two ways, and I know that he takes a serious interest in these matters. The second inquiry, as he puts it, does not happen now. Once a boundary commission makes its final conclusions, that is the end of the story—and there has to be an end to the process. In the Bill, we are establishing a longer and more thorough process of consultation, all of which will be in the open, rather than in secret, because it will all be published and available for people to see. That is a fairer way of doing things than having highly paid QCs representing two big parties simply making partisan points in front of an assistant commissioner.

Ian Lucas: If the Minister believes that abolishing public inquiries into boundary reforms is such a good idea, will he tell me whether he proposed them before the general election?

Mr Heath: We did not propose legislation on the Boundary Commission at that point, but we are doing so now, and those are the proposals before the hon. Gentleman. He must look at them and see whether they make sense. I believe that they do.

During our discussions, we have had a flavour of some of the arguments that are put before commissioners in public inquiries. We have had people claiming that constituencies can never cross a river. We have had Members complaining that they cannot have a connection to more than one local authority in their constituency. Those are the sorts of spurious argument that a public inquiry throws out of court every time.

Sadiq Khan: The Deputy Leader of the House quoted Professor Johnston out of context and now has issues with lawyers earning lots of money in inquiries. Will he confirm that Professor Johnston said:

"I can well see people using"

judicial review

"as a reason for addressing the issues that they think they are not able to address because they are not having public inquiries"?

Does the Minister agree with Professor Johnston or does he not?

Mr Heath: If each of the boundary commissions does a thorough job, which I fully expect them to, and takes the proper matters into consideration, I do not expect an increase in judicial review. That is my answer to the right hon. Gentleman. He mentions the fact that he is a lawyer and that I do not like highly paid lawyers very much, but I am surprised that he decries the idea of submissions being made in writing rather than orally, because that is a well-known and fundamental principle in law.

The improved process in the Bill will deliver faster reviews. Time-consuming public inquiries that do not bring new arguments to the table and which are dominated by parties attempting to advance their electoral interests are not beneficial in Northern Ireland or anywhere in the UK. I urge hon. Members not to press the amendments.

Mrs Laing: I am grateful to the Minister for giving full consideration to amendments 205 and 206. I accept his assurances and beg to ask leave to withdraw amendment 205.

Hon. Members: No.

Question put, That the amendment be made.

Question negatived.

Amendment proposed: 15, page 12, leave out lines 35 to 41 and insert

'(1A) A Boundary Commission may cause a local inquiry to be held for the purposes of a report under this Act where, on publication of a recommendation of a Boundary Commission for the alteration of any constituency, the Commission receives any representation objecting to the proposed recommendation from an interested authority or from a body of electors numbering one hundred or more.

(1B) Where a local inquiry was held in respect of the constituencies before the publication of the notice mentioned in subsection (1) above, that subsection shall not apply if the Commission, after considering the matters discussed at the local inquiry, the nature of the representations received on the publication of the notice and any other relevant circumstances, is of an opinion that a further local inquiry would not be justified.

(1C) In subsection (1A) above, "interested authority" and "elector" respectively mean, in relation to any recommendation, a local authority whose area is wholly or partly comprised in the constituencies affected by the recommendation, and a parliamentary elector for any of those constituencies.'. *(Sadiq Khan.)*

Question put, That the amendment be made.

The House divided: Ayes 244, Noes 336.

Division No. 107] **[10 pm**

AYES

Abbott, Ms Diane	Chapman, Mrs Jenny
Ainsworth, rh Mr Bob	Clark, Katy
Alexander, rh Mr Douglas	Clarke, rh Mr Tom
Alexander, Heidi	Clwyd, rh Ann
Ali, Rushanara	Coaker, Vernon
Bailey, Mr Adrian	Coffey, Ann
Bain, Mr William	Cooper, Rosie
Balls, rh Ed	Cooper, rh Yvette
Banks, Gordon	Corbyn, Jeremy
Barron, rh Mr Kevin	Crausby, Mr David
Beckett, rh Margaret	Creagh, Mary
Begg, Miss Anne	Creasy, Stella
Bell, Sir Stuart	Cruddas, Jon
Benn, rh Hilary	Cryer, John
Benton, Mr Joe	Cunningham, Alex
Berger, Luciana	Cunningham, Mr Jim
Betts, Mr Clive	Cunningham, Tony
Blackman-Woods, Roberta	Curran, Margaret
Blenkinsop, Tom	Dakin, Nic
Blomfield, Paul	Danczuk, Simon
Blunkett, rh Mr David	Darling, rh Mr Alistair
Bradshaw, rh Mr Ben	David, Mr Wayne
Brennan, Kevin	Davidson, Mr Ian
Brown, rh Mr Gordon	Davies, Geraint
Brown, Lyn	Davies, Philip
Brown, rh Mr Nicholas	De Piero, Gloria
Brown, Mr Russell	Denham, rh Mr John
Bryant, Chris	Dobbin, Jim
Buck, Ms Karen	Dobson, rh Frank
Burnham, rh Andy	Docherty, Thomas
Byrne, rh Mr Liam	Dodds, rh Mr Nigel
Campbell, Mr Alan	Donaldson, rh Mr Jeffrey M.
Campbell, Mr Ronnie	Donohoe, Mr Brian H.
Caton, Martin	Doran, Mr Frank

Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David

Tellers for the Ayes:
Mr David Hamilton and Mr David Anderson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Therese
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, Davic T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward

Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Norman Lamb

Question accordingly negatived.

10.15 pm

Proceedings interrupted (Programme order, this day).

The Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No.83E).

Clause 10

REPORTS OF THE BOUNDARY COMMISSIONS

Amendments proposed: 20, page 8, line 5, leave out 'as follows' and insert 'as set out in subsections (2) to (7)'.

Amendment 218, page 8, line 37, at end insert—

'(5AA) Any such draft giving effect to recommendations contained in the report of a particular Boundary Commission may do so with modifications only if that Commission has requested the modifications and submitted to the Secretary of State a statement of the reasons for the modifications.'.

Amendment 219, page 8, line 42, at end insert—

'( ) In section 4(2) of the 1986 Act (Orders in Council), at the end there is inserted "submitted under section 3(5AA) above".'.

Question put (single Question on amendments moved by a Minister of the Crown), That amendments 20, 218 and 219 be made.—*(Mr Heath.)*

Question agreed to.

Amendments 20, 218 and 219 agreed to.

Bill to be further considered tomorrow.

Sadiq Khan: On a point of order, Mr Speaker—*[Interruption.]*

Mr Speaker: Order. I understand that the House is excited, but we must hear the point of order.

Sadiq Khan: Thank you, Mr Speaker. We have today debated the remaining stages of a Bill that were not discussed in Committee. The parts we were supposed to discuss today covered a reduction in the number of seats, a change in the way they are distributed, and abolition of local inquiries. We have also had two statements.

We have had no debate on clause 12, which covers Boundary Commission processes and which was not discussed in Committee, and we had less than two hours' debate today. There were more than 12 speakers who were not called at the end of the debate. Clause 13—*[Interruption.]*

Mr Speaker: The right hon. Gentleman has made his point, and I understand his concern. He knows that the programme motion is a matter determined by, and in the hands of, the House; it is not a matter for the Chair. The Speaker is always keen to have the maximum debate on matters of concern. The right hon. Gentleman is a very experienced Member, and he has made his point with great clarity. It is on the record, and it will be heard by those on the Treasury Bench: whether it is heeded by others remains to be seen.

Business without Debate

POLITICAL AND CONSTITUTIONAL REFORM

Ordered,

That Nick Boles be discharged from the Political and Constitutional Reform Committee and Andrew Griffiths be added.—*(Stephen Crabb.)*

Aircraft Carriers

Motion made, and Question proposed, That this House do now adjourn.—*(Stephen Crabb.)*

Mr Speaker: Before I call Thomas Docherty, may I make the ritual appeal to right hon. and hon. Members who are leaving the Chamber to do so quickly and quietly, because Members want to listen to Mr Thomas Docherty?

10.17 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): I pleased that the question of how our new Queen Elizabeth class aircraft carriers are to be maintained has attracted such widespread interest in the House. My constituents and everyone in Fife can only be reassured by the keen interest shown by right hon. and hon. Members on both sides of the House in this important issue. I hope that the House will consider this important matter seriously and sombrely.

For the benefit of hon. Members who are present, it might help if I explain why this debate is so important, not just to west Fife, but to the wider defence establishment and, indeed, to our national interest. Only two functioning dockyards in western Europe are big enough to take the Queen Elizabeth class carriers: Rosyth dockyard in my constituency and the one in Brittany, France. I hope that the turnout tonight shows the widespread support for the Government to choose the UK dockyard and to support UK jobs and the defence industry.

Rosyth dockyard has a long and proud tradition of supporting our Royal Navy, and of returning warships to active service in prime condition on time and on budget. The House may recall that at the outbreak of the Falklands conflict in 1982, Rosyth dockyard worked night and day to ensure that the taskforce was able to sail south in the best possible condition.

Penny Mordaunt (Portsmouth North) (Con): The Falklands conflict is a good example to show the importance of operational readiness and the stress that will be on the carriers. Does the hon. Gentleman agree that that means that the bulk of maintenance work will have to be done in their home port of Portsmouth, and is that why the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) told my constituents that they would be based there?

Thomas Docherty: I am grateful for the hon. Lady's comments, but she obviously needs to work on her pronunciation of my right hon. Friend's constituency. It is absolutely right that Royal Navy warships receive the best possible care and maintenance, and I hope that she will join me in urging her Government to back UK jobs and the UK's defence industry.

We would never wish to see events such as the Falklands repeated, but—to pick up on the hon. Lady's point—I believe that it is a matter of national importance that the United Kingdom retains the capability to send the Royal Navy's flagship into operations in the best possible condition. We have highly skilled, highly trained staff at Rosyth, and I want to pay tribute not only to the management and work force but to the local schools and colleges that provide excellent training and support.

Lindsay Roy (Glenrothes) (Lab): I congratulate my hon. Friend on securing this important debate. I am a former head teacher, and my school provided a substantial number of highly motivated and trained people who are currently working in Rosyth. Does he agree that the unique partnership between Babcock, Carnegie college and the schools has assured the high-quality apprenticeship training, vocational retraining and graduate development necessary not only to assemble the carriers but to carry out the excellent refits and refurbishments for which Rosyth is rightly renowned?

Thomas Docherty: I am grateful to my hon. Friend for that intervention. He has a history of 30-odd years of service as a first-class educator of young people in Fife. I also want to place on record my tribute to Professor Bill McIntosh and all the staff at Carnegie college, and, indeed, those at Adam Smith college, for their work with the dockyard in helping to create 350 apprenticeships in a highly skilled work force.

Sir Menzies Campbell (North East Fife) (LD): This is a non-partisan, all-Fife occasion, and I would like to support the hon. Gentleman in his submissions to the House. He might also care to consider that HMS Ark Royal, which is unfortunately soon to be decommissioned, was recently the subject of a substantial programme of maintenance that was very successfully carried out at Rosyth dockyard. That is an indication of the modern capability of Rosyth to deal with such large-scale projects.

Thomas Docherty: The right hon. and learned Gentleman is absolutely correct to point out the cross-party support that the dockyard has enjoyed. We hope that this will be a bipartisan, measured debate, and I look forward to his continuing support in the months and years to come.

The UK Government's recent strategic defence and security review produced a couple of significant outcomes on which I hope the Minister will be able to provide some reassurance. First, he will be aware of the uncertainty surrounding the near-term future of the work programme at Rosyth. A large part of the order book for the next three years was to be filled by the refitting of warships that the Prime Minister has indicated in the SDSR will no longer be in service. This is obviously causing consternation locally, as there is the potential for perhaps an 18-month hole in the work stream. I am sure the Minister will appreciate that it will be difficult for the dockyard to hold on to those vital employees for that length of time, and I want to ask him whether he is prepared to meet me and representatives of the trade unions to discuss how we can help to fill that void.

Secondly, we are still unclear about whether the so-called "cat and trap" system will be fitted on to HMS Queen Elizabeth and HMS Prince of Wales, and, if so, when. Can the Minister confirm whether those decisions have been made? If they have not, will he tell us how soon they will be made? It is surely logical—not to mention providing the best price to the taxpayer—to fit them during construction, before the ships embark on operations.

Thirdly, can the Minister confirm when HMS Queen Elizabeth will enter operational service? Will she sail for any period without the joint strike fighter, or will she be delayed further if the JSF is delayed in arriving in service? Will the Minister also tell the House when he expects HMS Queen Elizabeth to have her first scheduled refit? Will it be in 2022, as originally scheduled? Will it be 2024, as has been inferred from the Prime Minster's statement to the House? Or will it be even later?

[Thomas Docherty]

The House will be aware that Ministry of Defence civil servants carried out briefings this afternoon, and there is some confusion about their content. I understand that Scottish newspapers have received certain information prior to its being given to the House. If the reports that the Ministry of Defence will award those refurbishment contracts to the United Kingdom are true, it is indeed great news. However, I am sure the House will agree that reports of this nature should be made first by Ministers to this House and not by officials in briefings to selected newspapers.

It is important that the Government be clear on the timetable for their plans so that the loyal work force in Fife will know when it can expect the first refit work to start. Thank you, Mr Speaker.

10.25 pm

Mr Gordon Brown (Kirkcaldy and Cowdenbeath) (Lab) *rose*

Hon. Members: Hear, hear.

Mr Brown: At the start of any defence debate, even one on the Adjournment, it is important to recognise the quality and commitment of our armed forces: our Army, our Navy, our Air Force, and the civilian defence staff who work for the security, strength and safety of our country. Speaking as someone who has visited Iraq and Afghanistan on many occasions, I think it is important to pay tribute to all those serving in Afghanistan at the moment and to their contribution to the security of this country.

In the week that precedes Armistice day, I also think it important to recognise those who gave their lives in the service of this country. On this day and in this month, it is important to say that those who lost their lives in Afghanistan will never be forgotten and that their influence lives on in the lives of the people they leave behind.

I have been Member of Parliament for one of the Fife constituencies for 27 years. I am pleased that the other MPs for Fife are with us this evening, and I applaud my hon. Friend the Member for Dunfermline and West Fife (Thomas Docherty) for securing this debate and for securing this above-average attendance for an Adjournment debate. In the course of those 27 years, the whole history of Fife has revolved around the future and the fate of Rosyth dockyard.

Winston Churchill said that Rosyth was the best defended war harbour in the world, in recognition of Rosyth's work during the second world war, when it refitted as an emergency all the vessels sent to sea from that area of Scotland. Over the past 30 years, the naval base has closed; the Rosyth dockyard and naval base, which once employed 15,000 people, now employs 1,500 people. Rosyth is the only base that can assemble the aircraft carriers that this country has commissioned. It is also the only base that can serve us by refitting the carriers in the future. When announcements are to be made by the Ministry of Defence, it is important to recognise that Rosyth is the base best able to refit the carriers in the years to come.

I want to be clear about why the aircraft carriers are important to this country. I believe that the debate has been clouded by many things that have been said over the last few weeks. These are military decisions, made on military advice for military reasons. The reason the decisions have been made is that if we are to retain a global presence as a Navy, as armed forces and as a country, we will need these aircraft carriers in the years to come. We will need them not only because they are important to the defence of the Falklands, but because they are important for maintaining the 500-year role of the Royal Navy in being available to assist in any part of the world.

My hon. Friend the Member for Dunfermline and West Fife has put the case for the refitting work to come to Rosyth. He has said that it is better to refit there than to refit in France. He has also said that the work force of Rosyth are skilled, educated and trained people who have devoted their lives to the service of this country. I think it important to recognise that we are talking about the future of people's lives—those of the people who are prepared to give their lives for the security and service of this country.

Thank you, Mr Speaker, for allowing this Adjournment debate this evening. The words of my hon. Friend the Member for Dunfermline and West Fife in speaking up not just for the Royal Navy, but for the civilian defence workers, will be well heard in Plymouth and in Portsmouth as well as in Rosyth. We owe a duty to the workers in all this country's dockyard areas.

10.29 pm

The Parliamentary Under-Secretary of State for Defence (Peter Luff): It is right that I should begin by joining the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) and the hon. Member for Dunfermline and West Fife (Thomas Docherty) in paying tribute to the armed services at this time of all times, and also to Rosyth for its work in preparing the country for the Falklands war and for its skills, which were mentioned by the hon. Member for Dunfermline and West Fife.

I seem to pick my Adjournment debates, or perhaps they pick me. On the last occasion, my hon. Friend the Member for Fylde (Mark Menzies) initiated a debate on the aerospace industry which we had thought would last half an hour. It lasted for three hours, and attracted an only slightly smaller audience than tonight's debate. Tonight we have had the privilege of being footnotes in parliamentary history.

I am glad to be able to respond to the debate in, I hope, a constructive spirit. I am tempted to say some of the things that are on my mind, but I shall leave them for another occasion. *[Interruption.]* I shall resist the temptation.

Let me begin in the customary way by congratulating the hon. Member for Dunfermline and West Fife on securing the debate, which comes soon after the Prime Minister's announcement of the details of the strategic defence and security review. The review was, by definition, strategic, and we are now working through the detail that flows from that strategy. Given that some of the issues discussed by right hon. and hon. Members tonight have focused on specifics, I hope that the House will accept that I am not yet in a position to answer all their questions. I will, however, try to provide as much information as I can in response to the issues that have been raised.

I particularly welcomed the contribution of the right hon. Member for Kirkcaldy and Cowdenbeath. I well remember sitting on the Opposition Benches and making

similar points on behalf of my own constituents, and I hope that the right hon. Gentleman will find my response as constructive as I found many Government responses then.

Let me say how impressed I have been by the work undertaken at all the shipyards involved in the Queen Elizabeth class project. Although I have not yet had an opportunity to visit every yard, I recently visited the Govan shipyard to see the progress on the Queen Elizabeth carrier. While I was there I spoke to a range of staff, all of whom showed their skills and complete dedication to the project. They were a credit to the programme, and I pay tribute to them.

The progress achieved so far, such as the delivery of the bow unit and installation of diesel generators, is genuinely remarkable. To appreciate the scale of the project, one has to see it with one's own eyes. That success is largely due to the skills of shipyard workers not just at Rosyth but around the country, at Appledore, Birkenhead, Govan and Portsmouth, and on the Tyne.

I shall not go into the wider issues raised by the former Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath. Let me merely say that the strategic defence and security review has confirmed that we will build both carriers. The Government believe that it is right to retain, in the long term, the capability that only carriers provide: the ability to deploy air power anywhere in the world, without the need for friendly air bases on land. Once delivered, the carriers will be in service for about 50 years. Indeed, the final commander of the carriers is unlikely even to have been born yet.

At this point we expect to operate only one of the ships, the other being retained in extended readiness. I assure the House, however, that we will maximise the carrier's effectiveness by adapting it to operate the more capable carrier variant of the joint strike fighter, which will require the installation of catapults and arrester gear. Conversion to CV will take longer, but it will provide greater interoperability with key allies such as the United States and France.

The hon. Member for Dunfermline and West Fife asked a number of detailed questions, but I am afraid that I can travel only a certain distance in answering them tonight. We plan to deliver the carrier strike capability from around 2020, and are now investigating the optimum means of achieving that outcome, working with members of the Aircraft Carrier Alliance and wider industry as well as our international partners. We expect the work to take a number of months, but the building work will continue to maintain the momentum in the delivery of this important capability. We will investigate a number of different aspects, including the type of launch system, the procurement route, the delivery date, and whether one or both ships should be converted and in what order. However, I stress that no decisions have yet been made, as the work has only just begun.

Dr Julian Lewis (New Forest East) (Con): Can my hon. Friend at least go as far as dispelling any rumour or suggestion that the second carrier will be sold rather than remaining a part of the Royal Navy?

Peter Luff: That option is indeed spelt out in the SDSR document, but I think that it is unlikely to be adopted. Extended readiness is a much more likely option.

I am sure hon. Members will appreciate that until the work on all the options we are looking at has been completed, we will not be in a position to confirm the exact nature of our contracting approach for future support or maintenance work. The main investment decision for support arrangements for the Queen Elizabeth class is expected to be taken before the middle of this decade—that is as precise as I can be tonight—and will reflect the aircraft launch system changes that have been agreed in the SDSR. *[Interruption.]* An Opposition Member says from a sedentary position, "After the general election." That is a completely irrelevant consideration; this decision will be taken at the right time for the project.

Thomas Docherty: Does the Minister not understand that if the HMS Prince of Wales does not have a "cat and trap" system, aircraft will not be able to fly off it, and it will therefore just be a big scrap of metal?

Peter Luff: Understandably, the hon. Gentleman invites me to make commitments that I cannot make at this stage. I understand his point and I promise it will be taken fully into account. *[Interruption.]* An Opposition Member says from a sedentary position that it is a very serious question. I entirely agree, which is why I will not give an answer off the cuff from the Dispatch Box tonight.

Our planning assumptions for the support requirements of the Queen Elizabeth class have been that each vessel will require a period of major maintenance every six years, including a period in dry dock for hull cleaning, survey and preservations, which we expect will take about 36 weeks. In addition, the operational vessel will require up to 12 weeks of maintenance per year, depending on operational tasking. Again, I must stress that these assumptions remain under review as we continue to develop the support solution, which will include consideration of the support requirements for a vessel at extended readiness. I simply cannot answer any specific questions at this stage.

We are also currently examining a number of potential options on which company or companies could undertake future maintenance work for the Queen Elizabeth class. These include, but are not limited to, solutions involving the Aircraft Carrier Alliance—the means by which the carriers are being constructed—and the surface ship support alliance, which will provide efficient, sustainable and affordable engineering support to the Royal Navy.

In addition, I would like to remind the House that although, as my hon. Friend the Member for Portsmouth North (Penny Mordaunt) reminded us in her intervention, Portsmouth has been confirmed as the base port for the Queen Elizabeth class carriers, that does not automatically mean that all the maintenance work will be undertaken there. A number of options are being considered for the future support of the Queen Elizabeth class, including facilities at Rosyth, together with other UK, and possibly overseas, locations, all with sufficiently large facilities. There are more than two yards that can do this work.

Penny Mordaunt: Because of the operational readiness that the carriers will have to provide, does my hon. Friend agree that outside those major maintenance episodes every six years, the maintenance work is likely to be opportunistic and therefore done within the home base, which will be Portsmouth?

Peter Luff: Quite reasonably, my hon. Friend teases me to make the same sort of commitments as does the hon. Member for Dunfermline and West Fife. I am afraid, however, that I just cannot make those commitments at this stage, much as I would like to.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Does the Minister accept that if one aircraft carrier is on extended readiness and a second, which is being used for operational duties, has to go into dry dock, there will be no aircraft carrier available for use, and would he therefore consider building a third?

Peter Luff: Now, that is a commitment I would be delighted to make at the Dispatch Box if I possibly could. I think the hon. Gentleman will be unsurprised to learn, however, that, sadly, I am unable to give him that assurance.

I recognise that there are many positive reasons for undertaking Queen Elizabeth support work at Rosyth, but we are still some way from taking the main investment decision on support arrangements, and I hope the House will understand why no decisions have yet been—or could be—taken on this issue. That is why the reports in the Scottish media to which the hon. Member for Dunfermline and West Fife referred must, by definition, be untrue. I suspect they may be guilty of over-interpreting certain remarks, but I can assure him that no decisions have been taken at this stage. I think I would know about them if they had. *[Interruption.]* I think I would; I am fairly confident I would.

I know that the hon. Gentleman is anxious to hear how Babcock Marine's Rosyth dockyard will fare in all of this. I am sure that the Government's announcement in the SDSR that both carriers will be built will reassure the hon. Gentleman that Babcock Marine will have sufficient construction work until late into this decade. There are not many organisations that have that kind of assurance over a 10-year period.

Thomas Docherty: I am grateful to the Minister for clarifying that newspaper point. Will he therefore give a guarantee that when decisions are made, they will be made to the House before they are made in media briefings, such as the one given the night before the SDSR was published, as happened last time?

Peter Luff: I did take a self-denying vow at the beginning of these remarks not to say some of the things on my mind. All I would say to the hon. Gentleman is that I will do my best to comply with his reasonable request, although it was not one that the previous Government respected that often. *[Interruption.]* I just like to get these things on the record from time to time.

In terms of wider surface ship maintenance work, we continue to work with Babcock Marine and BAE Systems Surface Ships to develop the surface ship support alliance. Babcock Marine is in the final stages of a substantial six-month maintenance and upgrade period for HMS Blyth, a minesweeper. I am pleased to confirm that this work is on track to complete on time and to budget, and I wish to thank all who have contributed to the success of this project—this is a tribute to the hon. Gentleman's constituents. Additionally, Babcock Marine is undertaking a docking period for HMS Illustrious and I am also pleased to be able to confirm that HMS Kent, a Type 23 frigate, is expected to arrive at Rosyth later this week in preparation for her refit period, which is planned to last until next autumn.

Recently, the hon. Gentlemen wrote to me seeking assurances about the future upkeep programme at Rosyth—he sought that assurance again tonight—and I would like to take this opportunity to explain again the Department's current position. As has been the practice since the start of the alliance programme, discussions have been continuous between members of the alliance about the best allocation of the forward programme of upkeep periods. It is, however, too early to say what changes might be required of the programme at Rosyth and elsewhere in the alliance following the hard decisions made to reduce the size of the Royal Navy as part of the SDSR. I can, however, confirm that decisions will continue to be made on what we describe as a "best for enterprise" basis, and I will be delighted to meet him and his constituents to discuss these issues further. I look forward to making the arrangements for that meeting at the earliest possible date.

Turning to future shipbuild work, we now expect up to three years of additional design and modification work on the Queen Elizabeth class carriers to address the changes needed to install catapults and arrester gear. That may, in part, at least answer the question put by the right hon. Member for Kirkcaldy and Cowdenbeath. In addition, design work is already under way on the Type 26 global combat ship, which is expected to enter service early in the next decade; this is the next generation of frigate.

As the House is aware, the SDSR announced the Government's intentions for the current and future equipment and capabilities we need to defend this country. It made some tough but necessary choices, removing some projects while keeping others. We are now working hard to provide the level of detail needed to decide exactly how these intentions are turned into reality. With the decision to decommission some of the Royal Navy's ships—these are decisions that I personally regret, but they were inevitable—we need to continue working with industry to decide how best to support the Royal Navy surface fleet to ensure that we achieve the best value for money. We also know that maintenance work on the Queen Elizabeth class is still some way—some years—from being decided. A key factor in that decision will be achieving a more detailed understanding of what changing the aircraft launch system means for not only the build programme, but through-life support. I said at the start of my speech that I would not be able to provide the House with all the answers today that I know it would like, but we do know that two extremely capable Queen Elizabeth class carriers will be built.

Mr Gordon Brown: Why can the Minister not assure us that the aircraft carriers will be refitted within the United Kingdom?

Peter Luff: I think that it is extremely likely that they will be, but I cannot rule out the possibility that they will not; the assumption is that they will be refitted in the UK, as the right hon. Gentleman suggests, but I am not going to give him that categorical assurance at this stage, for reasons that I am sure he, as a former Chancellor of the Exchequer and Prime Minister, will understand.

Mr Brown *indicated dissent.*

Peter Luff: Well, the right hon. Gentleman shakes his head and I am surprised at that. As a constituency MP I am sure he would not understand, but as a former Chancellor and Prime Minister I suspect that he probably does.

With one carrier to be operated, there will be long-term requirements for maintenance, potentially for up to 50 years. In times of austerity across the country, the UK shipbuilding industry and ship repair industry should take great comfort from that, as well as the other naval activity, both surface and submarine, that the SDSR confirmed. Once again, I congratulate the hon. Member for Dunfermline and West Fife on securing this debate and look forward to seeing him at my office at an early date

Question put and agreed to.

10.43 pm

House adjourned.

House of Commons

Tuesday 2 November 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Mental Health Care

1. **Ian Swales** (Redcar) (LD): What recent discussions he has had on the likely effects on mental health patients of changes to health care provision arising from the comprehensive spending review. [20928]

The Minister of State, Department of Health (Paul Burstow): The Government confirmed their determination to protect the most vulnerable in our society by protecting both the NHS and social care in the recent spending review. The Chancellor also announced funding to expand access to talking therapies.

Ian Swales: Can the Minister give assurances that the Department of Health is having full discussions with the Department for Work and Pensions about the problems that those with mental health problems experience in returning to work?

Paul Burstow: I thank my hon. Friend for that question. I can certainly assure him that those discussions are ongoing and regular, and that we work very closely with colleagues, both ministerial and official, in the DWP. Indeed, we are evaluating two of the Department's collaborative projects on employment advisers working with people recovering from depression and anxiety disorders.

Gloria De Piero (Ashfield) (Lab): The Rokerfield mental health day care centre in my constituency is under threat of closure. Does the Minister share my disappointment that the county council cabinet members responsible for making that decision have all ignored my invitation to speak to service users before coming to their decision? Will he urge them to visit users first?

Paul Burstow: I thank the hon. Lady for her question. I am sure she would agree that it is important that we ensure that there is adequate funding in social care so that it is possible to continue to support services of this sort. That is why I am sure she would join me in thanking the Chancellor for the statement he made two weeks ago, when he confirmed that an additional £2 billion will be invested in social care. On her specific question, I will look at the matter in closer detail and write to her.

Margot James (Stourbridge) (Con): My hon. Friend will be aware of the number of people in the criminal justice system with severe mental health problems—they make up some 15%, according to the Sainsbury Centre for Mental Health. In my area of Dudley and Walsall, almost 2,000 people are on probation or in prison, yet only 40—just 2.5%—are in contact with mental health services. Will he discuss with his colleagues in the Ministry of Justice what we can do to improve that situation?

Paul Burstow: I am grateful to my hon. Friend for that question, which underscores the legacy that the Government have been left in terms of the paucity of these services as they are now and why we need to work closely with colleagues in the Ministry of Justice, as indeed we are doing, to ensure that we provide good quality mental health support for offenders, both in prison and when they leave it.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Can the Minister assure us that he will encourage his departmental colleagues to ensure that, despite the influence of the comprehensive spending review, the confidential inquiry and the learning disabilities public health observatory will go beyond March and until the work is concluded?

Paul Burstow: The right hon. Gentleman does a lot of work in the area of learning disability. Indeed, we had a good debate in Westminster Hall earlier this year on this matter, in which I indicated the Government's support for those observatories. We believe they play a very important role in our understanding of the issues.

Neuromuscular Care (Bristol)

2. **Kerry McCarthy** (Bristol East) (Lab): What progress his Department has made in the provision of specialist neuromuscular care in Bristol; and if he will make a statement. [20929]

The Parliamentary Under-Secretary of State for Health (Anne Milton): I thank the hon. Lady for her question. Of course, it is important that the commissioning of services, which is about getting the right treatment and services for people, is a decision that is made locally. The south west specialised commissioning group—SWSCG—has responsibility for commissioning specialised services for neuromuscular conditions in Bristol. I know that there have been some problems in the past, but since the Walton report the group has reviewed its provision of neuromuscular services and appointed both an additional paediatric neuromuscular consultant and a new adult neuromuscular consultant in Bristol, as part of the £1 million investment for the south-west, which I am sure she will welcome.

Kerry McCarthy: I thank the Minister for that comprehensive response. Families who live with muscle disease, such as the Arshad family, in Brislington, in my constituency, have welcomed the work of the SWSCG but are very worried about the impact that the introduction of GP-led commissioning will have on these services. They really feel that families like them will be left by the wayside. What reassurances can she give them?

Anne Milton: May I point out to the hon. Lady that, in fact, GPs are often very aware of the services that are needed? The neuromuscular team attached to the SWSCG has worked with the South West Muscle Group on the development of a provider register for hydrotherapy services, for example. Such things are best decided by GPs, who know exactly what people need, what treatment is needed and what care services are needed to ensure the best possible outcomes and the best possible quality of life.

Mr James Gray (North Wiltshire) (Con): The national service framework for long-term conditions such as multiple sclerosis, in which I am very interested, was much praised at the time it was launched. Does the Minister feel that it was properly funded and that it has been run properly since? Has it lived up to the expectations that we all had of it three or four years ago when it was launched?

Mr Speaker: With particular reference to the care provided in Bristol.

Anne Milton: With particular reference to the care provided in Bristol, the one thing that I would say is that commissioning is not something that has done well. There is never any room for complacency in the provision of services or in the provision of treatment. We always need to strive to do better.

Preventative Health Care

3. **Chris Heaton-Harris** (Daventry) (Con): What steps his Department is taking to increase the provision of preventative health care. [20930]

The Secretary of State for Health (Mr Andrew Lansley): We are committed to protecting and improving the nation's health and well-being. Since the election, we have already announced our commitment to preventative action on cancer, including improved bowel cancer screening and a campaign on signs and symptoms to promote early diagnosis; investment in a programme of reablement for those leaving hospital; and £70 million of investment this year to increase access to talking therapies.

Chris Heaton-Harris: Does my right hon. Friend agree that dedicated health spending focused on the poorest areas in most need is urgently required to narrow the health inequalities that, as a recent National Audit Office and Public Accounts Committee report show, actually widened under the Labour party?

Mr Lansley: I am grateful to my hon. Friend for that question, because it enables us to point out that over the period of the previous Labour Government health inequalities in this country widened—life expectancy, for example, widened by 7% for men and 12.5% for women between the richest and the poorest areas of this country. We are very clear. Our public health White Paper, which will be published shortly, will focus on how we can not only deliver a more effective public health strategy, improving health outcomes for all, but improve health outcomes for the poorest fastest.

Fiona Mactaggart (Slough) (Lab): There is an area of the country where public health inequalities have not widened, and it is the borough of Slough. Will the Secretary of State come to Slough and look at the work of health advocates, who are ordinary citizens who help to engage people with their health and avoid some of the conditions that have led to early deaths in Slough?

Mr Lansley: The hon. Lady might not recall, but about five and a half years ago I visited Slough to meet the health trainers, particularly in the Asian community, who were going to help people. Their focus was on diabetes. It has been a very effective pilot and we will need to work—we will do so—with local authorities and the NHS. We should work together, using dedicated public health resources of precisely that kind, to identify the risk of diabetes and to tackle it at source.

Mr Andrew Turner (Isle of Wight) (Con): On the Isle of Wight, the local NHS has decided that contraceptive pills may be given to girls as young as 13. Their parents and even their GPs are not involved. Nowhere else, I am told, shares that approach. Many of my constituents are horrified. What is the Secretary of State's view?

Mr Lansley: My hon. Friend will know that these decisions were made locally. Indeed, we support local decision making. We will ensure that such decisions are taken not only in the health service but alongside local authorities as part of their public health function. It is important that one is clear that a young person is competent to make such decisions. Subject to that, however, we are always clear that patients have a right to access health care on their own cognisance if they are competent to do so.

Emily Thornberry (Islington South and Finsbury) (Lab): Does the Secretary of State accept that good preventative care walks hand in hand with good social care? Does he further accept that even if all efficiencies were made and every single pound of the so-called additional £2 billion for social care was to be spent, there will, as the Local Government Association and the Association of Directors of Adult Social Services warn, nevertheless be a shortfall of at least another £2 billion before the end of the comprehensive spending review? In those circumstances, why does the Treasury's own document say:

"In social care, the Spending Review has provided additional funding needed to maintain current levels of care"?

Who is the public to trust and what are they to make of it?

Mr Lansley: First, may I welcome the hon. Lady to her position in the shadow health team? I do not accept her proposition. We are very clear about the nature of the efficiencies that can be made in social care, and we have established an efficiency group that is advising on how that can be done. In addition, in the spending review the Chancellor was able to announce that the Secretary of State for Communities and Local Government has made £1 billion extra available, and we have made £1 billion available through the NHS. On that basis, there is no need for local authorities to have to reduce eligibility to social care.

StartHere

4. **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): What recent assessment he has made of the potential contribution of StartHere to his Department's programmes to reduce the digital divide in respect of health services. [20932]

The Minister of State, Department of Health (Mr Simon Burns): Access to information is a key pillar of our plans to empower patients and service users. We want to open up access to trusted health and care information to everyone, including through digital channels. Independent organisations have an important role to play in helping to ensure that health and care information reaches everyone. StartHere is a good example of how such organisations can help. I am very keen to see StartHere's response to our consultation, "An Information Revolution".

Alun Michael: I welcome the Minister's positive response. Does he agree with me and, by the way, with Citizens Advice and the Royal British Legion that StartHere has the unique benefit of starting from the point of view of the person who needs information? It therefore increases efficiency and has the potential to save the health service money. Will he meet me to discuss how to realise those potential benefits?

Mr Burns: I am grateful to the right hon. Gentleman for those comments. I pay tribute to him because he has been a champion of StartHere ever since its existence. He and I agree that it is crucial that information is provided to empower patients and citizens, not all of whom have access to websites and the internet. I am more than happy to meet him to discuss this further.

Specialist Children's Hospitals

5. **Tony Lloyd** (Manchester Central) (Lab): What plans he has for future funding of specialist children's hospitals. [20933]

The Secretary of State for Health (Mr Andrew Lansley): Specialist children's hospitals will continue to be funded through local commissioning and specialised commissioning based on payment by results and local contracting while also recognising the specific additional costs of specialist paediatric services.

Tony Lloyd: The Secretary of State will know that his Department has written to specialist children's hospitals threatening to withdraw the top-up moneys that are recognised as important in treating the most critically ill children. That is outrageous and seems to run counter to the Government's commitment not to cut funding. Will he go back to his Department and tell his officials that he will not go ahead with the reduction in top-up fees?

Mr Lansley: I am afraid that I have to correct the hon. Gentleman. We are not withdrawing specialist top-up payments; the Department has acted on the basis of a review conducted by the university of York which was initiated by the Opposition Front Bench team's predecessors when they were in government. They set up a review on specialist top-ups which said that the payments should go down from 78% to 25%, not that they should be withdrawn completely. We are reviewing that outcome with the specialist children's hospitals and a meeting is taking place today to consider whether the review's conclusions were accurate and applicable.

Gordon Birtwistle (Burnley) (LD): Does the Minister agree with me and the 1999 Shields report that children's accident and emergency, paediatrics and maternity units should be kept together in one hospital? Will he postpone the move of the Burnley children's ward to Blackburn until the new GP commissioners are installed and can make an informed decision?

Mr Lansley: Yes, I entirely understand my hon. Friend's point and we have discussed this at Burnley. I feel strongly—indeed, I know—that we must continue to apply the tests that I have set out for such issues of configuration, including that they will deliver improving clinical outcomes, be safe for patients and, as he rightly says, reflect the commissioning intentions of local GPs representing local patients.

Frank Dobson (Holborn and St Pancras) (Lab): How can it possibly be right that the world-renowned staff at Great Ormond Street hospital in my constituency face, under this proposition, a reduction of £16 million in the funding of that hospital? NHS funding is supposed to be ring-fenced, but from the point of view of people at Great Ormond Street, it seems to be rather more ringed than fenced.

Mr Lansley: The right hon. Gentleman must realise that if we had listened to the Labour party in the comprehensive spending review, we would have cut the NHS budget, but we did not. We resisted the Labour party's proposal, and resources for the NHS will increase in real terms, but there is then the matter of how those resources should be deployed to best effect. The application of the proposal—we have still to agree with children's hospitals on how it will be applied—would have the overall effect of reducing Great Ormond Street's total income by less than 2%.

John Healey (Wentworth and Dearne) (Lab): The Secretary of State's answer simply will not do. He is in government now, not us. He is making decisions to make deep cuts to our specialist children's hospitals. He is trying to keep the NHS out of the public spotlight, and we will make sure that the public know what his plans for the NHS are.

I have the Secretary of State's letter. He has not answered my questions and I ask him again to tell the House why, before today, no Minister has made any statement in public or in the House about these big stealth cuts to our children's hospitals, and how much each one of the 35 specialist children's hospitals will lose next year in funding to treat some of the most critically ill children in our country.

Mr Lansley: I welcome the right hon. Gentleman to his place. I hope he enjoys being shadow Secretary of State as much as I did, and that he enjoys an even longer tenure. I explained to his right hon. Friend the Member for Holborn and St Pancras (Frank Dobson) the impact on Great Ormond Street. I do not discount its importance to the hospital, and it is being discussed today with specialist children's hospitals by a group chaired by the national clinical director, but it represents less than 2% of Great Ormond Street's total income. This is about specialist top-ups to the tariff where the new tariff has been introduced, which in itself makes differences to the income and the accuracy of costs of services provided by those hospitals. It was all set up by the previous Government. They started the review. They published it on 16 December 2009. It was not our doing; it was their doing.

John Healey: I thank the right hon. Gentleman for his welcome to me in my job. I have no intention of being in the job for six years, as he was before he came into government. We will have won an election before the end of that period.

Big stealth cuts to our children's hospitals are not what the public expected to see when they heard the Prime Minister promise to protect the NHS budget. Will the Secretary of State admit that he is double-counting £1 billion a year in the spending review as both money for the NHS and money to paper over the cracks in social care? Will he accept the new House of Commons Library research report, which confirms:

"Including the (social care) funding is critical to the description of the settlement as a 'real terms increase'; without it, funding for the NHS falls by £500 million – 0.54% in real terms."

When did the Secretary of State tell the Prime Minister that the Government are breaking his promise to protect the NHS budget?

Mr Lansley: I am afraid the right hon. Gentleman is wrong about that. Even if we did not treat up to £1 billion to support social care through the NHS as NHS money—we should treat it as NHS money, but even if we did not—there would still be an increase in the resources available to the NHS in real terms each year. It is NHS money. The right hon. Gentleman must accept that this year we are spending £70 million on reablement, which has the effect of mitigating need in social care and reducing emergency readmissions to hospital. We will provide NHS money, which in itself supports health gain and social care support.

Cancer Survival Rates

6. **Julian Sturdy** (York Outer) (Con): What assessment he has made of the likely effect on cancer survival rates of the implementation of his proposed reforms of the NHS. [20934]

The Minister of State, Department of Health (Paul Burstow): Our health spending now matches European levels, but our cancer survival rates do not match European levels. If we brought survival rates up to the best in Europe, we could save up to 10,000 lives a year. Our updated cancer strategy will set out how our NHS reforms will improve cancer survival rates.

Julian Sturdy: Does my hon. Friend agree that local charity groups, such as York Against Cancer in my constituency, play a vital role in the fight against that disease? Can he assure me that the Government will continue to support and work with the voluntary sector to provide the very best cancer care?

Paul Burstow: The Government certainly work closely with the voluntary sector in many ways to promote and develop our approach to cancer services. We value the work of organisations such as York Against Cancer because of the support that they provide through information and support for people diagnosed with cancer and their families. It is very important that we continue to support such activities.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does the Minister agree that cancer survival outcomes are very closely linked to poverty and inequality? Although I concede that inequality widened under the previous Government, how can the present Government hope to bear down on poverty and inequality in the context of an overall policy framework that envisages a steep rise in unemployment, with all the poor health outcomes associated with that, and a commitment to protecting health spending, which is unravelling by the day?

Paul Burstow: I am grateful to the hon. Lady for her question, and particularly her acknowledgement of the previous Government's failure to close the health inequality gap. The Office for Budget Responsibility identified that there will be growth in employment during the spending review period, and this Government are determined to make sure that we see that growth take place. When it comes to cancer survival, what we need to do most, and most importantly, is make sure that people are aware of the signs and symptoms of cancer, because if they are, they present earlier, they get a diagnosis earlier and their survival chances are greatly improved.

GP Commissioning (Financial Information)

7. **Sir Alan Beith** (Berwick-upon-Tweed) (LD): What mechanisms he plans to introduce for public access to financial information about general practices under his Department's proposals for GP commissioning. [20935]

The Minister of State, Department of Health (Mr Simon Burns): Under our proposals, commissioning budgets will be held by GP-led consortiums, which will be established as statutory bodies, rather than by individual GP practices. The commissioning budgets will be distinct from the income that GP practices earn under their contracts for providing primary medical care. GP consortiums will have to make their accounts available to the public.

Sir Alan Beith: I welcome the Minister's reply. As GP practices have always been treated as private partnerships and are not open to financial scrutiny or freedom of information requests, it is important that £80 billion of public spending is, in the way he describes, subject to scrutiny, including by this House.

Mr Burns: May I reassure the right hon. Gentleman that the NHS commissioning board will not allocate commissioning budgets directly to GP practices? Neither will they be included in either partnership or individual GP accounts. As is the situation now, those GP accounts will remain entirely separate. Our proposals set out clear lines of accountability in respect of commissioning resources. Each GP consortium must prepare a set of annual accounts, which the NHS commissioning board will include in its consolidated account. I hope that that reassures the right hon. Gentleman.

Rosie Cooper (West Lancashire) (Lab): Will the Minister confirm that patients and councillors will sit on consortium boards, and that the boards will meet in public, so that there will be real transparency and accountability at the point of decision making, and accountability will not be sidelined to health and well-being boards?

Mr Burns: May I explain to the hon. Lady that, no, councillors will not be on the GP consortiums? They will have a full and active role to play on the health and well-being boards, so that they can take a full part in determining the local needs of the local health economy. That is the right venue for them.

Mr Stephen Dorrell (Charnwood) (Con): Does my hon. Friend agree that as those commissioning consortiums are established, it will be important to ensure that they are subject to proper financial assurance, in the same way as Monitor applies such principles to foundation trusts? Can he assure the House that that will be one of the responsibilities of the NHS commissioning board?

Mr Burns: There is not altogether the same comparison to be made with Monitor and foundation trusts, but I certainly understand and take on board the general principle behind my right hon. Friend's question. I think that it is important that there is accountability.

Liz Kendall (Leicester West) (Lab): The Government want to create about 500 new GP commissioning groups and scrap 150 primary care trusts, which the King's Fund says will cost £3 billion. Yet, last year the current Prime Minister promised that

"there will be no more of the tiresome, meddlesome, top-down re-structures... The disruption is terrible, the demoralisation worse and the waste of money inexcusable."

Can the Minister tell us when the right hon. Member for Witney (Mr Cameron) changed his mind?

Mr Burns: May I begin by congratulating the hon. Lady on her elevation to this position? I know that in the past she has worked at the Department of Health, so her experience will no doubt help her Front-Bench colleagues who do not share such a background. However, she is factually wrong, although no doubt she will not be wrong in the future, because we have never said that there will be 500 consortiums. It will up to local decision making to determine how many consortiums there will be. The hon. Lady can believe what she reads in the newspapers, but if I were her I would wait to see what actually happens.

GP Revalidation

8. **Henry Smith** (Crawley) (Con): What mechanisms he plans to put in place to provide for GP revalidation after the ending of primary care trusts. [20936]

The Secretary of State for Health (Mr Andrew Lansley): The General Medical Council is responsible for the revalidation of doctors, rather than primary care trusts. In the current structures, subject to parliamentary approval, responsible officers in primary care trusts will make recommendations to the GMC on the fitness to practice of doctors in primary care. Before the dissolution of primary care trusts, we will consult on options for responsible officers in primary care.

Henry Smith: I am very grateful for that answer from my right hon. Friend. I welcome the commissioning role that GPs are to have. Does he believe, however, that there needs to be a distance between revalidation and local GP practices, and that that would best sit at a county or metropolitan borough level?

Mr Lansley: Yes, I am grateful to my hon. Friend. Indeed, we will take account of precisely the point that he makes when we consult on how responsible officers in primary care will be established in future following primary care trusts. It is important to recognise that revalidation should be a process very like the normal appraisal of staff. However, when it comes to investigation of fitness to practise, it will be important for there to be proper independence.

Derek Twigg (Halton) (Lab): This is a very important issue affecting patient safety. The Secretary of State will know that the British Medical Association has raised significant concerns about the revalidation proposals, referring specifically to the implications of the reorganisation. Does he recall criticising NHS reorganisations and their cost in his conference speech on 5 October 2009? Why, then, has he embarked on a reorganisation that will cost an estimated £3 billion at a time when the NHS will also face deep cuts because of his broken promises over funding?

Mr Lansley: May I welcome the hon. Gentleman to his new responsibilities?

We are doing this because it is absolutely essential for the NHS to use resources better to deliver improving outcomes for patients. A combination of the ability for general practice-led consortiums to combine the management of care for patients with the management of resources is instrumental to achieving that. It will deliver substantial reductions in management costs. We will achieve a £1.9 billion-a-year reduction in management costs by 2015.

Neuromuscular Care

9. **Graham Evans** (Weaver Vale) (Con): What progress he has made on increasing the provision of specialist neuromuscular care in (a) the north-west and (b) England. [20937]

The Parliamentary Under-Secretary of State for Health (Anne Milton): I thank my hon. Friend for that question. I pay tribute to the Muscular Dystrophy Campaign and a number of other organisations that have been so successful in raising these issues. A review of specialist neuromuscular services in the north-west was completed in September 2010. I understand that the focus of the review was the particular pressure areas of service provision highlighted by Muscular Dystrophy Campaign reports and corroborated locally by key stakeholders.

Graham Evans: I thank my hon. Friend for that answer. Muscular dystrophy is a particularly terrible muscle-wasting disease that afflicts many constituents of mine. Will the Minister agree to meet me and the NHS north-west specialised commissioning group to discuss the action required to reduce the £13.6 million spent on unplanned emergency admissions for neuromuscular conditions in the region?

Anne Milton: I know that I speak for all the ministerial team in saying that we are always very happy to meet groups to go through some of the situations. I would also urge continuing to campaign locally. If services are not provided adequately and properly, the unnecessary admissions due to that poor provision are considerable, as are the costs associated with them.

Cancer Treatment (Waiting Times)

10. **Jim McGovern** (Dundee West) (Lab): What assessment his Department has made of the effect on cancer patients of changes to the maximum waiting period for cancer treatment. [20938]

The Minister of State, Department of Health (Paul Burstow): I am grateful to the hon. Gentleman for his question, because it allows me to make it absolutely clear that the Government have not changed the waiting times standards for cancer services. The revision to the NHS operating framework for this year confirmed that the NHS is expected to continue to ensure that people with suspected cancers are seen within the agreed waiting times standards.

Jim McGovern: I thank the Minister for his response. I am sure that he agrees with me that the policy brought in by the previous Government to ensure guaranteed minimum waiting times for cancer patients made great strides forward, not only for patients but for their families. May I urge him to ensure that this is not changed by any Government policy changes and that guaranteed minimum waiting times remain at the forefront of treatment for cancer patients?

Paul Burstow: I am grateful for the question. The answer, of course, is yes, we are determined to maintain these targets because we believe they make a difference.

Rehman Chishti (Gillingham and Rainham) (Con): Will the Minister ensure that patients who currently do not have access to a clinical nurse specialist will have such access? Research suggests that it considerably improves experiences and outputs.

Paul Burstow: The hon. Gentleman is right that we need to ensure that we invest in cancer specialists, and in the past six months the coalition Government have set out a number of steps that we will take, and are taking now, to improve cancer survival rates and cancer services. Raising awareness of signs and symptoms, new screening methods for bowel cancer and improving the number of specialist staff are just some of the things into which the Government have already started putting additional resources, in order to make a difference.

NHS Administrative Costs

11. **Mr Dominic Raab** (Esher and Walton) (Con): What steps he is taking to reduce administrative costs in the NHS. [20939]

The Secretary of State for Health (Mr Andrew Lansley): We are cutting management costs in the NHS by 45%. We will cut total administrative costs as well, and in total that will save £1.9 billion a year by 2015.

Mr Raab: I thank the Secretary of State. I recently spent a morning in my constituency with local paramedics and was shocked to learn that the very best paramedic can earn just one tenth of that earned by the highest-paid NHS manager. What steps is my right hon. Friend taking to address those skewed priorities?

Mr Lansley: My hon. Friend will be aware that we in the Department and across government have invited Will Hutton to examine pay differentials in public services, and we have talked to him about precisely that. In my hon. Friend's area, the earnings of a qualified member of ambulance staff would be about £37,000 on average, which of course is only about a sixth of the highest pay of an NHS manager.

Mr Kevin Barron (Rother Valley) (Lab): Past reorganisations of the national health service have taken years to embed and affected performance negatively, and history suggests that, given the scale of the reorganisations in the White Paper, they will be no exception. Can the Secretary of State tell us how much the administrative costs of the changes will be?

Mr Lansley: Perhaps I can remind the right hon. Gentleman that the major part of the reorganisation is to eliminate strategic health authorities and primary care trusts, to focus resources on the front line, to get them into the hands of those who are responsible for delivering care and, in the process, to deliver £1.9 billion a year of savings on administration costs.

Dementia Research

12. **Heather Wheeler** (South Derbyshire) (Con): What steps he is taking to prioritise funding for dementia research from his Department's research budget. [20940]

The Minister of State, Department of Health (Paul Burstow): Dementia is a terrible disease that devastates the lives of thousands of people in this country, and research is clearly key. The coalition programme signalled the Government's intention to prioritise funding for dementia research. The spending review confirmed that and committed to real-terms increases in spending on health research.

Heather Wheeler: Will the Minister expand on the future funding of mental health trusts? We all know the statistic that one in four people suffers from mental health problems in their lifetime, and it is a great problem in South Derbyshire.

Paul Burstow: The hon. Lady is absolutely right that it is important that we are clear about that. Currently, funding for mental health services comes via primary care trusts, and from 2013-14 onwards allocations will be provided via GP commissioning consortiums.

Andrew Miller (Ellesmere Port and Neston) (Lab): I welcome the hon. Gentleman's first answer, but may I ask him to go further and place in the Library a list of all the areas of principal research that the Government are to fund, both directly and through research charities? It would be incredibly helpful for the public to understand exactly how the Government intend to handle the research programme for dementia and all other areas of health.

Paul Burstow: I am grateful to the hon. Gentleman for his question, because I chair the ministerial group that is considering how we can improve and increase the supply of research. It is examining a number of matters, including how we can ensure that there is an increase in

the volume of research, how we can engage the public—he is absolutely right about that—and how we can translate research into practice quickly. Next year we will set out more detailed proposals and publish the details of all the research programmes that are under way.

Hereditary Breast Cancer Helpline

13. **Natascha Engel** (North East Derbyshire) (Lab): What plans he has for future public funding for the hereditary breast cancer helpline. [20941]

The Parliamentary Under-Secretary of State for Health (Anne Milton): I congratulate Wendy Watson on starting the helpline in 1996. I also congratulate the hon. Lady and my right hon. Friend the Member for Derbyshire Dales (Mr McLoughlin) on the support that they have given it. I know that it has experienced difficulties in gaining funding from primary care trusts, with only 36 of the 152 PCTs providing it, but the cancer networks are working on an interim solution to fund the helpline through the transition period prior to the NHS commissioning board and GP commissioning coming online.

Natascha Engel: I thank the Minister, but what I am most concerned about is the fact that Wendy Watson is running the helpline on a shoestring from her home in Derbyshire. She is getting small grants from PCTs, but once PCTs are abolished, where will the money come from? Can the Minister commit to funding the national helpline, which is the only one of its kind, directly from the Department of Health?

Anne Milton: I point out to the hon. Lady that with the new commissioning consortiums, those decisions will be made at a much more local level. Only 36 of 152 PCTs are currently contributing to the helpline, which is nonsense when one considers that they are being asked for only £422 each. It is right that such decisions should be made locally, particularly in view of the sort of emotional support that the helpline can give.

Preventative Health Care

14. **Caroline Nokes** (Romsey and Southampton North) (Con): What steps his Department is taking to increase the provision of preventative health care. [20942]

The Secretary of State for Health (Mr Andrew Lansley): In addition to what I said in reply to Question 3, I can tell my hon. Friend that we will shortly be publishing a public health White Paper, which for the first time will not only demonstrate a commitment across Government to improving public health and reducing health inequalities, but introduce a strategy and implementation programme to achieve precisely that.

Caroline Nokes: I thank my right hon. Friend for that answer. Chronic obstructive pulmonary disease is responsible for 30,000 deaths a year, and it is the second largest cause of emergency hospital admissions in the UK. In response to the consultations that have been received from, among others, groups in my constituency, will the Secretary of State please tell me when the Government plan to publish the clinical strategy on COPD?

Mr Lansley: We need to continue our work with the British Lung Foundation, because that has been extremely helpful. We are in the process—through the consultation on the White Paper and other such consultations—of putting in place an outcomes framework, which will enable us to see how outcomes can be achieved for people with respiratory diseases. In the meantime, I hope that we will push forward with the commissioning guidelines, clinical guidelines and quality standards that will help to support some of the COPD initiatives that I have seen, including a successful community COPD service in Somerset.

Mr David Lammy (Tottenham) (Lab): The Secretary of State will be aware that 6,000 women a year die from ovarian cancer. Will he welcome the National Institute for Health and Clinical Excellence guidelines that were published this year, and, in so doing, will he tell us why he has decided to neuter NICE? The independent assessment that it provides was established in 1999 to ensure that, where we have a finite pool of resources, money is spent properly. Are not the pharmaceutical companies now rubbing their hands in glee?

Mr Lansley: The right hon. Gentleman has it completely wrong. We are not neutralising NICE. On the contrary, we will focus NICE on what its real job always was and should be, which is to provide independent advice to the NHS about the relative clinical and cost-effectiveness of treatments so as to achieve the best outcomes. The point that he may be misunderstanding is that by 2014 we intend to ensure that we are no longer denying access to the new medicines that patients need, because we will have a new and more effective value-based pricing system of reimbursement to pharmaceutical companies.

PFI Contracts

15. **Penny Mordaunt** (Portsmouth North) (Con): What advice his Department provides to NHS trusts seeking to renegotiate private finance initiative contracts. [20943]

The Minister of State, Department of Health (Mr Simon Burns): This Department and the Treasury provide guidance and advice to NHS schemes to maximise the savings and best value for money they can achieve when making variations to their PFI contracts for additional services or facilities, conducting market testing exercises for support services or when assessing refinancing requests from their private sector partners.

Penny Mordaunt: What can the Government do to assist the Queen Alexandra hospital in Portsmouth, which is under serious financial pressure because of its PFI contract, a £37 million deficit and, thanks to false planning assumptions, not enough patients to make a super hospital sustainable?

Mr Burns: May I pay tribute to my hon. Friend for her assiduous work in her constituency? She represents her constituents and looks after their interests regarding the provision of the highest quality health care. From conversations that I have had with her, I fully appreciate her concerns about the financial situation. I understand that South Central strategic health authority is working closely with the trust as it implements a cost-improvement programme to achieve financial balance.

Diagnostic Tests (Cancer)

16. **Angela Smith** (Penistone and Stocksbridge) (Lab): How many diagnostic tests for cancer he expects to be carried out by the NHS in each of the next four years. [20944]

The Minister of State, Department of Health (Mr Simon Burns): The Department collects waiting times and activity data on 15 key diagnostic tests, but these data do not include the reason for a diagnostic test, such as suspected cancer. The NHS carries out more than 40 million diagnostic tests per year. The cancer reform strategy review is looking at the scope to improve survival rates by increased use of some diagnostic tests.

Angela Smith: I thank the Minister for that answer, although it was not quite as precise as I would have liked. How will those numbers be impacted by the Government's decision to abandon the one-week guarantee for cancer tests and their decision not to performance-manage the abandonment of the 18-week diagnostic target?

Mr Burns: I say in the politest way possible to the hon. Lady that we cannot abandon a target that has never been imposed in the first place. May I remind her that, as a sop to the Labour party conference more than a year ago, the former Prime Minister merely announced an aspiration? He never provided any funding or said where the funding should go, and he never provided any clinical evidence for the viability of the proposal. Saying that the Government have abandoned a target when it never existed is sheer poppycock.

Mr John Baron (Basildon and Billericay) (Con): The all-party cancer group's report last year found that those with rarer cancers got a bit of a raw deal from the NHS when it came to access to treatment and drugs. How will the new cancer fund put right that wrong?

Mr Burns: I am sure that my hon. Friend, through the tremendous work done by him and his colleagues on the all-party group, will appreciate that my right hon. Friend the Secretary of State's initiative—providing £50 million for the rest of this year and £200 million from next year for the cancer fund—is an important step forward in helping those who suffer from cancer. I am sure that my hon. Friend will also welcome the fact that work is ongoing on refining, following the review, the cancer reform strategy, and we are looking at the scope for improving survival rates by the increased use of diagnostic tests and at improving care across the board, so that we raise our standards to the highest in Europe rather than being the poor relation.

Topical Questions

T1. [20953] **Julie Elliott** (Sunderland Central) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Mr Andrew Lansley): My responsibility is to lead the NHS in delivering improved health outcomes in England, to lead a public health service that improves the health of the nation and reduces health inequalities, and to lead the reform of adult social care, which supports and protects vulnerable people.

Julie Elliott: In the light of the 0.5% real cut to the NHS after the social care switch, to which my right hon. Friend the Member for Wentworth and Dearne (John Healey) referred, may I ask when the Secretary of State decided to break his promise on a real-terms funding increase for the NHS? Does he accept that that is not what my constituents expected when they heard the Prime Minister promise real increases for the NHS?

Mr Lansley: The hon. Lady's constituents expect the truth, which is that we are providing increased resources for the NHS in real terms, taking it from £104 billion to £114 billion. That is completely contrary to what we were advised to do by the Labour party, which said that we should cut the NHS budget. We did not do that; we increased it.

T2. [20954] **Mr James Gray** (North Wiltshire) (Con): The all-party group on multiple sclerosis held an all-day seminar last week on the subject of drug pricing, during which it broadly welcomed the end of the risk-sharing scheme and looked forward to value-based pricing, which will be introduced shortly. That welcome is subject to two important conditions: first, that NICE clinical guidelines should be updated and continued; and secondly, that the NICE risk appraisal should be abandoned. Does the Secretary of State agree with me on those two conditions?

Mr Lansley: Yes; my hon. Friend is absolutely right. As we implement our plans for the value-based pricing of medicines from 2014, NICE's role will change. It will focus on advising how best to use treatments and to develop quality standards for the NHS, rather than recommending whether patients should be able to access particular drugs. We want patients to have access to the medicines that their clinicians believe are best for them.

David Miliband (South Shields) (Lab): I wonder whether the Secretary of State can provide some reassurance to residents of Cleadon Park estate in my constituency who are concerned about the consequences of primary care trust abolition for the PCT-owned, PCT-organised and PCT-financed health centre that brings together primary and secondary care, and local authority and community services. Is there not a real danger of the sort of expensive "anarchy" of which Professor Tony Travers of the London School of Economics has warned?

Mr Lansley: Happily, I can offer the right hon. Gentleman's constituents great reassurance that not only will the relationship between community health care and specialist health care in hospitals be improved by general practice-led commissioning—because clinicians will speak to clinicians—but the services they rely on will be improved, because we will no longer spend so much money on PCT administration. He will know that in 10 years under his Government the number of managers in the NHS increased by more than 60%.

T4. [20956] **Mr Marcus Jones** (Nuneaton) (Con): NHS Warwickshire is consulting on the future of Bramcote hospital, which serves my constituency and the wider north Warwickshire area. That could lead to the closure of the hospital which has provided valuable intermediate care to my constituents over many years. To close the hospital, NHS Warwickshire requires the Department

of Health to meet substantial impairment costs. Can the Secretary of State assure my constituents that before any decision is made by the Department to pay any such costs, the views of the local GP consortiums and local people will be taken into account?

The Minister of State, Department of Health (Mr Simon Burns): As my hon. Friend says, NHS Warwickshire is consulting on the future of intermediate care at Bramcote hospital. I hope that he will engage with that consultation and that the views of local people will be taken fully into account by NHS Warwickshire in deciding the way forward. As he knows, the Secretary of State has set out various tests and NHS Warwickshire's decision must have the support of the GP commissioners; must strengthen public-patient engagement; and must be based on sound clinical evidence. I hope that my hon. Friend is reassured that those tests will be fully taken into account as part of the consultation process.

Mr Speaker: The House is obliged to the Minister.

T8. [20960] **Mrs Linda Riordan** (Halifax) (Lab/Co-op): Following the coalition Government's announcement that the NHS budget was to be protected and, indeed, increased, can the Secretary of State tell me why a ward will be closed at Calderdale Royal hospital? Will he reverse that crazy decision immediately for the safety of my constituents?

Mr Lansley: I cannot tell the hon. Lady precisely why that proposal has been made, but I will investigate and write to her. Increasing resources overall for the NHS does not mean that everything will stay the same in every particular. There will be change, including the redirection of resources towards providing services in the community rather than in hospitals.

T5. [20957] **Mike Freer** (Finchley and Golders Green) (Con): Occupational therapists are crucial in effective rehabilitation. Will the Minister advise me on what role he sees for occupational therapists in using the £70 million investment in reablement announced by the Government?

The Minister of State, Department of Health (Paul Burstow): I am grateful to the hon. Gentleman for drawing attention to the Government's commitment to develop reablement services, especially the win, win, win that they can deliver for the individual who gets back on his feet, gets his confidence back and leads his life independently; for the social services departments, which do not have to provide ongoing support; and for the NHS, which does not have to deal with readmissions. Occupational therapists have a vital role to play in providing good quality support following discharge and are therefore critical players in the development of reablement services around the country.

T9. [20961] **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Is it appropriate for my constituents in Huddersfield to be lectured about healthy living standards by a Minister who is out of condition, overweight and a chain smoker?

Mr Lansley: I take it that the hon. Gentleman is not referring to me in those respects, although I can probably claim one or two of those epithets. We are none of us looking to lecture anybody—we are trying to lead a public health strategy that enables everybody to make healthier choices and lead healthier lives.

T6. [20958] **Mr Philip Hollobone** (Kettering) (Con): May I invite the Minister to congratulate my local newspaper, the *Northamptonshire Evening Telegraph*, on running a successful campaign to encourage people to sign up to become organ donors? Given the success of that campaign, perhaps the Department might like to encourage other local newspapers to do the same.

The Parliamentary Under-Secretary of State for Health (Anne Milton): I would certainly like to join my hon. Friend in extending those congratulations. Local papers can have a huge impact in raising the issue of organ donation. Donor rates have risen in this country by 20% since 2007-08, which happened on the back of the organ donation taskforce, which looked at the system in 2008. The issue is complicated and quite sensitive in some areas, but the most important thing is to raise awareness in local communities. Local papers are an ideal vehicle for that.

Mr Ben Bradshaw (Exeter) (Lab): Since when has handing over the running of any service to a powerful producer interest been good for the consumer—that is, the public? In the absence of primary care trusts, who will do the difficult but important job of performance-managing underperforming GPs and, where necessary, weeding out incompetent ones?

Mr Lansley: The right hon. Gentleman was a member of a Government who said that they would introduce practice-based commissioning, but who then let primary care trusts override the general practice role in determining not only the proper care of patients, but how resources should best be used to make that happen. If he is defending primary care trusts, he is making a very sad choice, because in reality they know that they simply increased their management but did not succeed when it came to commissioning. The right hon. Member for Rother Valley (Mr Barron), the former Health Committee Chairman, produced a report showing that, and it is very clear that—

Mr Speaker: Order. I do not want to be unkind to the Secretary of State, but I am thirsting to hear the question from Mr David Burrowes.

T7. [20959] **Mr David Burrowes** (Enfield, Southgate) (Con): My right hon. Friend has shown great interest in the reconfiguration plans for Enfield hospitals, culminating in the moratorium announcement outside Chase Farm hospital in May. Would he expect the outcome of the clinical review to be simply an endorsement of the present clinical strategy, which is based on previous models of care for emergency and maternity services, or should it embrace future health care choices, opening up to GPs, patients and the public?

Mr Speaker: We have got it.

Mr Lansley: I am grateful to my hon. Friend. He knows that the criteria that I set out, which were repeated earlier during questions, must be applied, not only to the strategies that were previously presented, but to

potential new strategies that Barnet and Chase Farm hospitals might wish to present, in order to ensure that GP commissioning intentions, future patient choice and public views are properly reflected.

Valerie Vaz (Walsall South) (Lab): Many of my constituents are being offered the swine flu vaccine in combination with the seasonal flu vaccine. Will the Secretary of State ensure that they have the choice to have those vaccines separately?

Mr Lansley: The hon. Lady will forgive me, but I do not propose to make that available, as it would be a great deal more expensive. Each year, and on an international basis, the World Health Organisation advises on what the seasonal flu vaccine should consist of, and it almost always consists of the three most likely strains combined together into one vaccine.

Tim Farron (Westmorland and Lonsdale) (LD): Is the Secretary of State prepared to make a statement on the vital work of the co-ordination of organ donation at the hospital level, particularly given that under the current system there is no specified organ donation co-ordinator at the Westmorland general hospital in Kendal?

Anne Milton: Organ donation co-ordinators are a vital part of the team in increasing organ donation rates. The organ donation taskforce recommended 100 extra organ donation co-ordinators, but we must not forget that there are other things. For example, training for staff who are likely to come into contact with potential organ donors is vital. We have got to get those rates up.

Alex Cunningham (Stockton North) (Lab): How can the Minister justify the already increasing delay in people having cancer diagnostic tests?

Mr Simon Burns: I am not sure whether the hon. Gentleman was here earlier, but we explained in great detail about the target that never existed. The latest figures show that the median time has gone from 1.7 weeks to 1.9 weeks, but that is because those figures were for the period between June and August—the holiday time—when many people changed their bookings or appointments to fit in with the school holidays or their own holidays. The figures for September are already on course to get us back to the median for that time of the year.

Amber Rudd (Hastings and Rye) (Con): I know that the Secretary of State is aware of the high level of teenage pregnancies in this country, and particularly in Hastings in my constituency. What action are we going to take to support those young women? We all know of the negative health outcomes that come with those young pregnancies.

Mr Lansley: Yes, indeed I do. It is sad to report that we have the highest rate of teenage pregnancies in western Europe. At the heart of this is the fact that we must have community strategies that are geared not least to improving the self-confidence and self-esteem of young people, so that they are able to make better decisions. We must assist them in doing that, but I would also mention the importance of ensuring that we have long-acting, reversible contraception available for young people.

Mr Russell Brown (Dumfries and Galloway) (Lab): Each year, around 7,000 more people in the UK are diagnosed with HIV, and more people than ever are living with the virus. How will the Government's new public health White Paper address HIV prevention?

Mr Lansley: The hon. Gentleman will know that the White Paper is yet to be published, so I will not pre-empt it, but it will be important to ensuring that there is a clear strategy for improving sexual health services. He will share our view that we want to deal with the extent of undiagnosed HIV and the extent to which people coming into contact with health care services are not offered HIV tests.

Annette Brooke (Mid Dorset and North Poole) (LD): I recently met a group of Bournemouth and Poole college health and social care students whose research indicated that the average age for repeated sexual activity in the UK is now 16. With that and other information, they have set up a campaign to reduce the age for cervical screening to 20. What action will the Minister take?

Anne Milton: I thank the hon. Lady for her question. She is right to raise the issue of the reducing age of sexual activity, and certainly the public health White Paper that we will publish later this year will have a significant impact on that. Cervical screening must be addressed, and it is important to raise the uptake rate to a much higher level to ensure early diagnosis.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Dr Clive Peedell, a consultant oncologist at James Cook university hospital in Middlesbrough, said that the coalition Government's plans for the NHS "are a roadmap to privatisation".
That was his reaction to the King's Fund report, which argues that the plans to make savings in direct NHS expenditure while dismantling local PCTs has the support of fewer than one in four doctors. What is the Secretary of State's response to that overwhelming opposition from local doctors to the Government's plans?

Mr Lansley: We will, of course, respond to the consultation in due course, but support for the principles of the White Paper was widespread and came from local government and the medical and nursing professions. The issues that we will address in the consultation were mainly about implementation of the principles, but support for the principles was widespread.

Mr Stephen Dorrell (Charnwood) (Con): Will my right hon. Friend confirm that the Government's policy is to ensure that over the next four years we deliver efficiency gains from the health service, valued by the chief executive at between £15 billion and £20 billion? As that target was first set out by the Labour party when it was in government, will my right hon. Friend take an early opportunity to invite the new shadow Secretary of State to endorse that programme, and to support its specific execution as each change is introduced?

Mr Lansley: My right hon. Friend makes an excellent point, and I invite the shadow Secretary of State to respond to it in due course. We will ensure that the NHS uses resources more efficiently to meet increasing demand and costs in the NHS. Savings of that order are required, and the NHS is on track to make them.

Toby Perkins (Chesterfield) (Lab): I would like to return to the subject raised by my hon. Friend the Member for North East Derbyshire (Natascha Engel) about the national hereditary breast cancer helpline. The Minister's response was inept. She said that a national service will be funded by tons of different GP commissioning groups. That just will not happen. She said nice words about Wendy Watson, but her Government's policies will see the end of that helpline unless she intervenes. Will she please ensure national funding for a national service?

Anne Milton: As I said earlier, the cancer networks are working on an interim solution for funding the helpline through the transition period to the new commissioning arrangements. I remind the hon. Gentleman that the Labour party tried to tell people what to do from the centre and micro-managed everything. What happened was that no local decisions were made. I do not doubt the value of the helpline. It is crucial that emotional and practical support for those at high risk of breast cancer is available, and the helpline is one way of doing that. It is extremely important that such decisions are made locally. Telling people what to do from the centre does not work.

Several hon. Members *rose—*

Mr Speaker: Order. I am sorry that some colleagues are left disappointed, but on such occasions demand, as in the health service, tends to be greater than supply.

Prisoners' Right to Vote

3.34 pm

Sadiq Khan (Tooting) (Lab) *(Urgent question)*: To ask the Deputy Prime Minister if he will make a statement on the Government's plans to give prisoners the vote.

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): The UK's blanket ban on sentenced prisoners voting was declared unlawful by the grand chamber of the European Court of Human Rights in October 2005, as a result of a successful challenge by a prisoner, John Hirst. The Government accept, as did the previous Government, that as a result of the judgment of the Strasbourg Court in the Hirst case, there is a need to change the law. This is not a choice; it is a legal obligation. Ministers are currently considering how to implement the judgment, and when the Government have made a decision, the House will be the first to know.

Sadiq Khan: Mr Speaker, you have yet again agreed to allow an urgent question so that we can ask the Government to account to the House for decisions that have been preannounced in the media. The news that prisoners are to be given the vote is a matter of great concern to the public. The House will note that the Deputy Prime Minister is not here to answer this important urgent question. I have 10 short questions for the Minister who is here to speak on his behalf.

When the previous Government consulted on this matter, the right hon. and learned Member for Beaconsfield (Mr Grieve), who was then the shadow Secretary of State for Justice and is now the Attorney-General, described the prospect of giving prisoners the vote as "ludicrous". Does the Minister share that view? One of the most troubling aspects of the European Court ruling is that it opens the door to the possibility of serious offenders being given the vote. Will he explain how the Government would ensure that serious offenders are not given the vote? Press reports suggest that sentence length will be the key determinant in deciding which prisoners can vote. If that is the case, what length of sentence do the Government have in mind? How will they ensure that prisoners who are guilty of serious offences but serving short sentences are not given the vote? Will the Minister provide details of the precise mechanics that prisoner voting will entail? Can he also tell us whether prisoners will be allowed to vote in referendums as well as elections?

The Prime Minister is reportedly "exasperated" and "furious" at having to agree to votes for prisoners. Does the Minister share that view? There is a strong sense that the decision is being forced on this country against the will both of the Government and of the people's representatives in this Parliament. For the sake of public trust in British democracy, will the Minister who is standing in for the Deputy Prime Minister therefore agree that any legislation put before the House on this vital issue should be the subject of a free vote?

Mr Harper: No one would have realised, listening to that, that the right hon. Gentleman was ever a member of the previous Government, who also accepted that the law needed to be changed, and accepted the judgment. I have looked carefully at the media reports, and all I can see is an expression by the Government, relating to what they are going to say in a pending legal case, that they must comply with the law. I would not have thought that explaining that the Government had to comply with the law was particularly revelatory. In fact, the right hon. Gentleman shared our view when he was in government. He was quite right to draw the House's attention to the fact that the Prime Minister is exasperated. I suspect that every Member of the House is exasperated about this, but we have no choice about complying with the law.

The fact that the previous Government failed for five years to do what they knew was necessary has left our country in a much worse position, both because of the possibility of having to pay damages and because case law has moved on. The only thing that would be worse than giving prisoners the vote would be giving them the vote and having to pay them damages as well. That is the position that the previous Government left us in.

I shall now turn to the right hon. Gentleman's questions. I made it clear in my statement that Ministers were considering how to implement the judgment, and when decisions have been taken they will be announced to the House at the Dispatch Box in the usual way. No decisions have been taken, and I am therefore unable to answer any of his questions at this time. The previous Government took five years to do nothing when they knew that something had to be done—in exactly the same way as they behaved in not dealing with the deficit. This Government have been in office for only a matter of months, but yet again our two parties are having to deal with the mess left behind by Labour.

Mr David Nuttall (Bury North) (Con): Will the Minister explain how the damages figure of millions of pounds has been arrived at, bearing in mind that nobody has yet had a payment? If ever we are forced into paying out damages, I suggest that we knock them off the payments that we have to make to Brussels.

Mr Harper: My hon. Friend should know that the European Court of Human Rights is based in Strasbourg, and that this is nothing to do with the European Union. The two issues are completely separate. We have been a signatory to the European convention on human rights for the best part of 60 years. Indeed, British lawyers helped to draft it after the second world war. There are currently more than 1,000 pending cases, and there is a real risk that judges will award millions of pounds in damages to be paid by our taxpayers to prisoners who have been denied the vote. That risk has been left to us by the inaction of the previous Government.

Steve McCabe (Birmingham, Selly Oak) (Lab): What estimate have the Government made of the cost to the honest law-abiding taxpayer of their decision to run up the white flag on this issue?

Mr Harper: As I said, the previous Government and this Government have both accepted that the Government generally have to comply with the law. We are considering how to comply with it, and we will announce our decisions in due course. This is not a choice; it is an obligation. The hon. Gentleman needs to understand that the only way of avoiding this would be if he were prepared to leave the European convention, which his Front Benchers are not prepared to do.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Is my hon. Friend not being a little unfair to the previous Government, who, after all, had done a lot of detailed work on how they would eventually implement this provision? Is it not fairly clear that if the Government are saying to somebody, "You must be in prison, and you must abide by the law and the decision of the court," they can hardly add, "But we will ignore the decisions of the courts"?

Mr Harper: The right hon. Gentleman is right. The previous Government accepted that the law needed to be changed and brought forward a number of proposals to enfranchise prisoners, but they simply did not have the gumption to do anything. As ever, they left it behind for somebody else to clear up.

Mrs Jenny Chapman (Darlington) (Lab): I have worked in prison, and I know that there are many hundreds of incarcerated people who should have no role whatever in this country's democracy, and no say in how it is run. When will we be able to decide for which offences, and for which length of sentences, prisoners will remain excluded from the right to vote?

Mr Harper: As I said in my statement and in my response to the right hon. Member for Tooting (Sadiq Khan), Ministers are currently considering how to implement the judgment. When the Government have taken those decisions we will announce them to this House, which is the right thing to do. If we need to make changes in the law, we will bring our proposals before the House in the usual way.

Mark Pritchard (The Wrekin) (Con): Is this not another case of more legal nonsense from Europe? Is it not about time that we scrapped the Human Rights Act 1998 and introduced a British Bill of Rights—or at the very least repealed the Human Rights Act within a freedom Bill?

Mr Harper: I am afraid that my hon. Friend has not followed this case very closely. If the Human Rights Act disappeared today, that would make no difference. The decision was made by the European Court in Strasbourg. British courts upheld our domestic law, which is why the decision was appealed to the Strasbourg Court. Even if the Human Rights Act disappeared tomorrow, I am afraid that the judgment would still stand.

Mr Dennis Skinner (Bolsover) (Lab): Is the Minister aware that the Murdoch scribblers and other tabloid writers are busy writing the headline, "Tories soft on crime, and soft on the perpetrators of crime"?

Mr Harper: I am pleased that the hon. Gentleman is so focused on what the Murdoch press is doing. The Government are considering how to comply with the law, just as the hon. Gentleman's Government had to comply with it. The Government whom he supported accepted that the law had to be changed—*[Interruption.]* Or rather I should say, as has just been pointed out to me, the Government whom he sometimes supported. The right hon. Member for Blackburn (Mr Straw) and others consulted on detailed proposals to change the law, but they just never got round to doing anything.

David T. C. Davies (Monmouth) (Con): Does the Minister recognise that is there a great deal of exasperation on the Conservative Benches not just about the disgraceful change in the law, but about the fact that Labour Members are trying to present themselves as Eurosceptics when they signed up to every bit of European legislation that was put before them?

Mr Harper: My hon. Friend has made his point very well. The synthetic outrage expressed by Labour Members whose Government accepted the need to comply with the law, consulted on proposals to do so, and yet again failed to make the necessary decisions—*[Interruption.]* The shadow Justice Secretary, the right hon. Member for Tooting, is yelling from a sedentary position. His party was in power for five years after the judgment was made, and did nothing about it. We have been in power for only six months, but we are getting on with considering how to implement the judgment, and when we have made our decisions, we will present them to the House.

Mr Nigel Dodds (Belfast North) (DUP): It has not been a good couple of days for the Government as far as Europe is concerned. Yesterday we heard the ludicrous announcement of an increase in the EU budget, and today we have heard this announcement. Rather than uttering expressions of exasperation and frustration, will the Minister tell the House what the Government will do to bring powers back to the House on behalf of the British people?

Mr Harper: Like others, the right hon. Gentleman is confusing the European Court and the European convention on human rights with the European Union. They have nothing to do with the European Union.

Mr Dodds: I know that.

Mr Harper: So the right hon. Gentleman must know that they are not in any way connected. We could do as he suggests only if Britain were to abrogate its signature to the European convention on human rights. Is that really what he wants us to do?

Andrea Leadsom (South Northamptonshire) (Con): Will my right hon. Friend please explain, for the edification of the House, what would happen if the Government refused to accept the findings of the European Court of Human Rights, and what would happen if we accepted the findings but refused to make any compensatory payments?

Mr Harper: My hon. Friend will know that 60 years ago Britain signed up to the European convention. *[Interruption.]* The shadow Justice Secretary is yelling again; he clearly needs telling again, so I will tell him again. Because Britain signed up to the European convention 60 years ago, it binds us legally. The Government must act in accordance with the law, as the previous Government accepted. The danger is that compensation payments will be awarded against us to prisoners. As I said earlier, the only thing worse than giving prisoners the vote would be giving them the vote and then having to give them compensation on top of that.

Mr Jack Straw (Blackburn) (Lab): Before the Minister gets away with this nonsense that we did nothing—in fact, we held not one but two consultations on the issue—will he tell us on what occasion during those five

[Mr Jack Straw]

years either he or any other member of his Front Bench, or Conservative Opposition Back Bencher, did anything other than call for us not to make any decisions about prisoner voting rights?

Mr Harper: The right hon. Gentleman has proved the point that I made: he says that the Government consulted on doing something but failed to do anything. Five years passed after the judgment, and the right hon. Gentleman and the Government of whom he was a senior member did nothing in terms of implementing the judgment.

Tom Brake (Carshalton and Wallington) (LD): In the spirit of consensus, does the Minister agree that while there may be a case for allowing those who are guilty of the most minor offences to vote, it is clear that that cannot possibly apply to those who are guilty of the most serious offences?

Mr Harper: The hon. Gentleman will know that Ministers are thinking about exactly how to implement the judgment, and are considering exactly the sort of issues that he has raised. When we have made our decisions, we will come and announce them to the House in the proper way.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I appreciate that this is a difficult and sensitive issue, and I know that many of my constituents will be shocked at the notion that murderers, rapists and child molesters should be given the vote, but can the Minister tell us more about how he will ensure that any attempt to determine whether people are given the vote on grounds of length of sentence or type of crime will be ECHR-compliant?

Mr Harper: In respect of what the hon. Lady said in the first part of her question, she is leaping ahead. Ministers are considering how to deal with the judgment in the Hirst case. I should also explain that one of the problems with the previous Government's inaction is that if they had implemented the judgment based on the decision in the Hirst case, we might well have been in a stronger position. As she will know—I am sure she follows this issue closely—case law has moved on. Ministers are considering these issues and, as I have said, when we have taken the decisions we will come and announce them to the House.

Mr Charles Walker (Broxbourne) (Con): We in this place have a duty to represent the people who elect us and, almost to a man and woman, they will be saying, "No, no, no." What is the point of having a sovereign Parliament if we have to bend down to the European Court on this? Surely we can help the Minister by having a vote and sending a strong message that we do not want this, and then he can go and negotiate it away.

Mr Harper: My hon. Friend will know that we do have a sovereign Parliament but that about 60 years ago it signed up to the European convention on human rights and effectively made that part of our law and our legal obligations. The Government are following the judgment of the Court in implementing our legal obligations—nothing more and nothing less.

Rachel Reeves (Leeds West) (Lab): Armley jail in my constituency houses 1,128 prisoners, including 55 lifers. What assurance will the Minister give law-abiding citizens in Armley ward in Leeds West that their electorate will not increase by more than 1,000 and that their votes will not be diluted as a result of these changes?

Mr Harper: The hon. Lady will know from what I said earlier that we are considering how to implement the Hirst judgment. When we have made those decisions we will announce them to the House, and she will be able to ask those specific questions at that time.

Gavin Williamson (South Staffordshire) (Con): I would like my hon. Friend to assure the House how he is going to make sure that rapists, murderers and paedophiles will not have the right to vote in my constituency of South Staffordshire, and across this country.

Mr Harper: My hon. Friend can be reassured by what I said earlier, which was that pretty much every Member on the Government Benches, from the Prime Minister down, is unhappy about having to implement this judgment. We are going to have to do it, however, but he can take it from the fact that we are not very happy about having to do that, that when deciding on the judgments we need to reach and in bringing our proposals forward, we will take into account everything that he has said.

Mr Kevan Jones (North Durham) (Lab): Two Durham prisons contain 1,700 prisoners, including Ian Huntley, the Soham murderer. In the Minister's deliberations, will he consider excluding individuals such as Huntley from getting the vote in Durham? Will he also consider the fact that 1,700 prisoners getting the vote in a marginal seat such as City of Durham could sway the outcome of an election?

Mr Harper: The hon. Gentleman makes a perfectly good point, of which the Government are well aware—and these are all exactly the sort of points that we are taking into account as we formulate our proposals.

Mr Robert Buckland (South Swindon) (Con): Before the Government make their decision, will my hon. Friend and all his colleagues bear in mind that the ultimate expression of liberty is the right to vote, and that the principle is that it should be surrendered upon conviction and imprisonment?

Mr Harper: My hon. Friend will know that that is exactly what our representation of the people legislation currently says, but that has been judged to be unlawful by the European Court, and the Government are in the position of having to implement that judgment—as were the previous Government. That is what we are wrestling with at the moment, and when we have made our decisions we will bring them before the House.

Ian Murray (Edinburgh South) (Lab): Following on from the question asked by my hon. Friend the Member for Leeds West (Rachel Reeves), will the Minister tell the House if the numbers of incarcerated prisoners in the UK will be used to help gerrymander the boundaries that the Government are proposing?

Mr Harper: I wondered how long it was going to take before we had the first rather ridiculous question, and it took about 20 minutes.

Anna Soubry (Broxtowe) (Con): In my 16 years at the criminal Bar, not one of my clients facing a custodial sentence has been upset at the prospect of losing his or her right to vote. Will the Minister please look with real care at the allegation that prisoners would receive huge sums in compensation? A report on the BBC says that the amount is some £700 per prisoner. If prisoners were to sue, I would urge the Government to take the view, "Bring it on."

Mr Harper: If only my hon. Friend had represented everybody who is currently in prison, perhaps they would not be there today. Unfortunately, a significant number of prisoners have brought legal cases against the Government; there are more than 1,000 pending. Even though the amounts payable in individual cases may not seem very high, if such an amount was awarded to a significant number of prisoners the bill would run into millions of pounds of hard-earned taxpayers' money.

Mr Speaker: Order. It may be tempting—or otherwise—for the Minister to look behind him from time to time, but he must address the House.

Mr Tom Watson (West Bromwich East) (Lab): The Minister has my sympathy, because he is on a sticky wicket today—if I may say so, he is doing a good job—and the truth is that the Deputy Prime Minister is on the run. He should be there answering to this House today. His junior is doing a better job than he could, but he should be here. On a specific point, may I ask whether it is the Minister's personal view that people should have the vote where they are interned, or that they should have the choice of which constituency to vote in?

Mr Harper: I will take the first part of the hon. Gentleman's question in the spirit in which it was intended. On the second part, we are of course considering how to implement the judgment. The sorts of issues that he has raised are ones that we are thinking about. When we have taken those decisions we will, of course, announce them to the House.

Gordon Henderson (Sittingbourne and Sheppey) (Con): The shadow Secretary of State for Justice urged during his question that any legislation that comes forward should be subject to a free vote. I do not really care whether there is a free vote or not, because I shall vote against any such legislation.

Mr Harper: I did not detect a question in there, Mr Speaker, so I shall merely say to my hon. Friend that I do not think anybody on the Government Benches is particularly happy about having to deal with this issue, but we do have to implement the law.

Frank Dobson (Holborn and St Pancras) (Lab): Whatever the priorities of the European Court, it is the British Government who decide what the priorities are for this House of Commons. Most people will think it rather bizarre that they are giving priority to a Bill that might give the right to vote to Harry Roberts, who shot three Metropolitan policemen in cold blood, but are paying no attention to and putting no effort whatever into getting the 3.5 million decent citizens who are not on the electoral register on to that register.

Mr Harper: The right hon. Gentleman would know, if he followed proceedings in this House, that that is simply not true. I made a statement at this Dispatch Box in September, when I set out clearly that the Government were as committed to the completeness of the electoral register as to its accuracy. If there are, as there are, citizens missing from the electoral register, some of the responsibility for that falls on the Labour party, which was in power for 13 years and did nothing effective about it.

Dr Julian Huppert (Cambridge) (LD): Does the Minister share my concern that the first response of so many Members here to a court judgment going against them is to refuse to accept the verdict of the court? What does that say about the rule of law? Does he also share my concern at the number of Members who do not understand the difference between the European convention on human rights, the Human Rights Act and the European Union?

Mr Harper: The hon. Gentleman raised two points, and I shall deal with the second one first. I did spell out the difference very clearly earlier, because as soon as things are prefaced with the word "Europe" people do roll them all in together and think that they are the same thing. The European Court is separate from the European Union; they are nothing to do with each other, apart from the fact that they both happen to be based in Europe. On the hon. Gentleman's first point, I think that the general view of those on the Government Benches is that we are not happy or pleased about having to implement the judgment, but we recognise that in a country bound by the rule of law, we have to do it.

Bill Esterson (Sefton Central) (Lab): Constituents of mine living near the new prison at Maghull will want to know which prisoners will be able to vote and which will not. So far the Minister has not answered the question, so I shall ask it in a slightly different way. In his personal view, who will be able to vote and who will not?

Mr Harper: The hon. Gentleman read that out very well, if I may say so. He will know that the Minister does not have a personal view; the Minister is here to speak on behalf of the Government. I have already set out very clearly the Government's view. The details about how we are going to implement the decision are still being considered—*[Interruption.]* It is no good Opposition Front Benchers groaning just because I have said it before. It is still true. We are considering how to implement the judgment. When we have taken those decisions, they will be announced in the House in the proper way.

Mrs Eleanor Laing (Epping Forest) (Con): Does the Minister recall that the House fully debated this issue and voted on it on 11 January 2006, at which point we on the Opposition Benches were trying to help the then Government to resolve a difficult situation? They took

[Mrs Eleanor Laing]

absolutely no action for the following five years. Will the Minister reassure the House that the Court objection is to the blanket ban on prisoners being able to vote and that it is within the power of the Government to resolve the situation by making a decision about which prisoners can vote and which cannot?

Mr Harper: If I may say so, I think that that was probably the first very sensible question that we have had in this session

Hon. Members: Oh!

Mr Speaker: Order. I know that the House is in rather an excitable state, but I always enjoy listening to the Minister and I particularly want to listen to him now.

Mr Harper: My hon. Friend listened to what I said in my statement. The blanket ban on sentenced prisoners voting has been ruled to be unlawful. The Government are considering how to implement the judgment to deal with that and, when the Government have made those decisions, the proposals will be brought before the House. Colleagues would do well to listen to how she put her question and to my answer.

Graham Stringer (Blackley and Broughton) (Lab): The Minister's answers are inadequate and not reassuring. My constituents who live in the Cheetham ward want to know whether the rapists, murderers and paedophiles—and burglars, for that matter—in Strangeways prison will have the vote or not. Surely he can answer such a simple question.

Mr Harper: The hon. Gentleman was not listening carefully to what I said. As my hon. Friend the Member for Epping Forest (Mrs Laing) pointed out, I said that the blanket ban on sentenced prisoners voting has been ruled to be unlawful and we are currently considering how to implement the judgment. We have made it clear that we are not particularly happy about it and we will bring forward our proposals and announce them in this House. I am sure that the hon. Gentleman will then be able to ask that specific question again and we will be able to answer it.

Several hon. Members *rose*—

Mr Speaker: Order. We must now move on. I know that there are disappointed colleagues, but I feel quite certain that this is a matter to which, in due course, the House will return.

Defence Treaties (France)

4.3 pm

Mr Jim Murphy (East Renfrewshire) (Lab) *(Urgent Question)*: To ask the Secretary of State to make a statement about the treaties today between the UK and France on defence

The Secretary of State for Defence (Dr Liam Fox): First, I am sure that the whole House will wish to join me in paying tribute to Sapper William Blanchard from 101 (City of London) Engineer Regiment (Explosive Ordnance Disposal), who died on operations in Afghanistan on Saturday. Our thoughts and prayers are with his family and friends at this dreadful time for them.

The Prime Minister and President Sarkozy this afternoon signed two treaties that mark a deepening of the UK-France bilateral relationship. The two treaties will next be laid before Parliament, allowing hon. Members the opportunity to consider them as part of the process towards ratification. For the added convenience of Members, I hope that the texts of both treaties will be placed in the Libraries of both Houses today.

The UK-France relationship is a strategic partnership of sovereign nations, working together to tackle the biggest challenges facing our two countries, at a new level of co-operation. The treaties do not diminish in any way our ability to act independently when the national interest requires, but they do provide us with greater capability when we decide to act together. The UK welcomed the recent French decision to rejoin NATO's integrated military structure. We believe it is good for NATO, good for the UK and good for France. It makes sense for us now to achieve maximum interoperability, greater commonality of doctrine and more efficient use of equipment. Closer co-operation with France will also provide better value for money for the British taxpayer.

Let me give the House a sense of the scope of both treaties. First, the defence and security co-operation treaty will develop closer co-operation between our armed forces, the sharing and pooling of materials and equipment, the building of joint facilities, mutual access to each other's defence markets, and industrial and technological co-operation. The treaty provides the framework, and details will emerge over time as more detailed work is done.

The second treaty covers collaboration in the technology associated with nuclear stockpile stewardship in support of our respective independent nuclear deterrent capabilities in full compliance with our international obligations. The treaty provides for the joint construction and operation of a new hydrodynamics facility at Valduc in France and a technology development centre at the Atomic Weapons Establishment at Aldermaston. These facilities will be operational from 2015. This programme, named Teutates, will assist both countries in maintaining the safety and reliability of their respective nuclear stockpiles and will improve expertise in countering nuclear terrorism. The facilities will enable each country to undertake hydrodynamic experiments in a secure environment. The hydrodynamic facilities use radiography to measure the performance of materials at extremes of temperature and pressure. This enables us to model the performance and safety of the nuclear weapons in our stockpile without undertaking nuclear explosive tests.

The UK will maintain its independent nuclear deterrent and will continue to work towards the long-term objective of a world without nuclear weapons. Today's summit is only the start of a long-term deepening of the UK-France bilateral relationship. France is the UK's natural partner in Europe for defence co-operation. France and the UK have some of the most capable and experienced armed forces and the largest defence industry. We are by a long way Europe's two biggest defence spenders. Achieving the envisaged level of co-operation will take time and will require changes to long-established ways of working. We will put in place measures to deliver long-term commitment to joint projects and we expect to announce new areas of work at regular intervals.

A stronger defence relationship with France does not mean a weaker relationship with the United States, our main strategic partner, or with Germany or any other partner—quite the reverse. The increased capability and effectiveness that we will achieve through this co-operation will make us stronger partners. In the multilateral context also, our NATO allies and EU partners want UK and French forces, as well as those of other nations, to be as capable and interoperable as possible—exactly what the new Government programme of co-operation is intended to achieve.

Mr Murphy: The whole House joins the Secretary of State in offering condolences to the family of Sapper William Blanchard who died while showing remarkable bravery in serving our country. All our thoughts and many of our prayers are with his family and friends.

Today is historically important for our nation's defence: our country is entering into two defence treaties with France. The treaties, which we are told will last for 50 years, cover aircraft carrier capability, shared nuclear infrastructure and joint rapid reaction capability. The UK media, the French media, the French National Assembly, and our allies in the United States and across world capitals have been informed of the contents of the agreement; with the announcements about this strategic shift in defence, it is a very real pity that the House of Commons seems to be the only place kept in the dark. After the summoning of the world's media to Downing street to witness the signing of the agreements, I am sure that the Secretary of State does not mind being invited to Parliament to explain the Government's thinking.

For almost 700 years, for historical reasons of the old alliance between Scotland and France, the House of Commons has traditionally had a degree of reticence about a Scot arguing for a military arrangement with France, but on this occasion most of us on both sides of the House support and welcome in principle further steps to improve what is already a very strong relationship. That approach makes sense for two strategic reasons. First, the UK and France face many common threats across the world, including global terrorism, cyber-security and piracy on the high seas. Secondly, as the Secretary of State has mentioned, the UK and France have unique capacities. They are the two largest investors in defence capability in Europe and among the highest in the world, significant players in the EU and the only two EU member states with permanent seats at the UN, as well as our independent nuclear deterrent.

In supporting this general approach of closer co-operation, I want to ask the Secretary of State some specific questions. I seek an absolute guarantee that the agreements that have been entered into today do not place any limitation whatever on the UK's ability to act independently in all circumstances in the protection of our unique interests across the world, including the defence of our overseas territories and in respect of the deployment of our armed forces or our military assets.

Turning to the specific agreement on aircraft carriers, the Government's intention is to share capacity when our respective carriers are in refit. The UK is currently building two Queen Elizabeth class carriers. As we understand it, one of our carriers will be placed in extended readiness. The question that many will be asking is what guarantees we have, when it is France's responsibility to provide carrier capability, if we disagree.

We hope and expect that the UK and France will increasingly find common cause, but there is no guarantee that that will be the case in all circumstances over the next 50 years. Reflection on even the past few years shows that that was not the case on the Falklands, Desert Fox in 1998, Sierra Leone and of course the Iraq war. Can the Secretary of State give some assurances about guarantees of UK capability and support?

Are the treaties legally binding on both the United Kingdom and France? If they are, who adjudicates in the event of a dispute about legal purpose and meaning? The seven-sentence written ministerial statement that the Prime Minister tabled to the House today states:

"The treaties will be laid before Parliament in the usual way."

May I invite the Secretary of State to say a little more, based on what he has already said, about how that will be handled?

In opposition, the Conservative party tabled motions to amend multilateral European treaties. In the light of that, is it the Government's view that the treaty is amendable by Parliament now or in the future? In the light of the Government's commitment to have five-yearly defence and security reviews, will it be necessary to update the treaties as the capabilities of the two nations are adjusted every five years?

I welcome what the Secretary of State said about nuclear co-operation. I welcome the commitment to bring greater efficiencies in infrastructure for our nuclear capabilities, but can the Secretary of State confirm to the House that that does not in any way jeopardise the bilateral arrangement between ourselves and the United States and the 1958 mutual defence agreement?

On employment, the Secretary of State spoke about access to markets. Will he say a few words about sovereign intellectual capability and employment as a consequence of today's announcement? Will he guarantee, for example, that when the UK carrier goes in for a refit, that will take place in a UK shipyard? Has he been able to persuade the French that their carrier should go into a UK yard as well?

Finally—

Mr Speaker: Order. I am extremely grateful to the shadow Secretary of State. May I very gently say that the Secretary of State modestly exceeded his allotted time, and the right hon. Member for East Renfrewshire (Mr Murphy) has rather significantly exceeded his allocated time? *[Interruption.]* No, that is the end of it. In future we must stick to these times, otherwise it is grotesquely unfair on Back-Bench Members. The times are known. The times are communicated both to the Government and to the Opposition, and they must be followed. That is the end of it.

Dr Fox: Thank you very much, Mr Speaker. You may be the only person ever to have described me as modest in any way, shape or form.

I welcome the general tone of the shadow Defence Secretary's remarks. There is much common ground. There are three reasons why we should support the general approach. There is the political approach, to bring France ever more closely into the heart of NATO which, as I think we all agree, is good for NATO, good for France and good for Britain; there is the military reason, for better interoperability and maximising our capability; and there is the economic case for getting value for money for both sets of taxpayers where that is possible. I can confirm to him that the treaty in no way provides any limitation on our ability to deploy forces when either nation believes that it is in its national interest to do so. We are trying to provide for better co-operation when we wish to act together in our mutual interest. Those are two very different concepts.

I shall not be able to get through all the specific points that the right hon. Gentleman made, but I shall write to him on any that, for reasons of time, I am unable to deal with. In terms of the carriers, the question of interoperability was key, and as he knows, when we came through the strategic defence review, the design of our carriers was changed to put in a catapult and trap system to give us better interoperability with our allies – not just France, but the United States. That would not have been possible, given the previous design, and that was a major consideration.

Clearly, if each nation operates a single carrier, when carriers are in for a major refit, a process that accounts for about three years out of every seven or eight, there will be an advantage in being able to train on carriers where we have much greater interoperability. There is also a chance of always having, for NATO purposes, one carrier free. Would that mean that we were able to force the French to do something against their will during that period, or vice versa? Of course it would not. We would hope that we would be able to act together, but there would be no means of coercing them to do so, and that is consistent with us behaving as sovereign, individual nations.

The ratification of the treaty will proceed in the normal way, and on nuclear co-operation, I was very grateful for the question about the 1958 agreement with the United States, which is key to the strength of our relationship. In my discussions with Secretary Gates, ahead of the defence review and afterwards, the agreement was one of the four elements about which the United States was most concerned. Our commitments under the 1958 treaty are in no way jeopardised, and the United States was fully consulted before and after the moves that we are discussing were made.

We must also remember that France itself co-operates very closely on nuclear issues with the United States. The United States, France and the United Kingdom form the nuclear capability of NATO, and, standing one step back, I must say that the fact that we are able to maintain the safety and predictability of our nuclear stockpiles without having to undertake nuclear tests is something for which the whole world should be grateful.

Sir Peter Tapsell (Louth and Horncastle) (Con): As I am married to a French woman, I have some experience of the unpredictability of Anglo-French relations, so may I take the Secretary of State back to the run-up to the Iraq war, when President Bush and Mr Tony Blair were hellbent on invading Iraq but President Chirac took a different view – actually, the correct view? If, in the future, there are diversions in British and French policy on military or foreign policy matters, who then gets the helicopters and the fighters on to the aircraft carrier?

Dr Fox: I am grateful to my hon. Friend for that question. For a moment, I thought we were going to hear how "cordiale" in his private life the entente can actually be.

One of the big changes in French politics has been the emergence of President Sarkozy and the willingness of the French Government to put themselves at the heart of NATO.

Mr Kevan Jones (North Durham) (Lab): Not for ever.

Dr Fox: But it is surely in the interests of the United Kingdom to welcome a trend that we have been calling for for a very long time. When we can draw the French into greater co-operation with NATO, where they are clearly in a much more transatlantic orbit, and are able to supplement and augment what the United Kingdom can do without interfering in our sovereign capability, we should welcome it. It is not a question, as my hon. Friend the Member for Louth and Horncastle (Sir Peter Tapsell) suggests, of the joint ownership of fleets; it is about our willingness to operate them together when it is in our mutual interest to do so.

Mr Bob Ainsworth (Coventry North East) (Lab): I hugely welcome the signing of these two treaties, but, despite the presentational attempts, I am a little amused at a Conservative-led Government announcing what is a huge integration of European capability. This is not a zero-sum game, and we should not present it as one, but will the Secretary of State explain the balance between investment and cost in respect of the facilities in which there will be investment at Aldermaston and in France? Notwithstanding any desire to work together, we ought to be pretty hard-headed in our relationships with France. They most certainly will be on their side.

Dr Fox: The contracts are currently under discussion, and it is a matter of commercial sensitivity exactly what the numbers are. We do, however, believe that it would save very substantial millions for the United Kingdom to go ahead with the facility in France.

On the question of this being an integrationist measure – far from it, because we are able to understand the difference between geographical Europe and political Europe. What we want to see is a partnership with another sovereign nation on the European continent, not supranational control from the European Union.

Sir Menzies Campbell (North East Fife) (LD): The Secretary of State will be aware from his frequent visits to Washington that there is a sense in the United States, particularly since the end of the cold war, that European nations have not been willing to do enough for their own defence. Are not these treaties, with the purpose of maximising joint capability, an effort to answer that criticism?

Dr Fox: My right hon. and learned Friend makes a useful point. It is very clear that the United States wants Europe—by that, I mean geographical Europe—to do more for its own defence. Where we are able to operate with our biggest ally in Europe to provide greater capability and still provide value for money for our taxpayers, while all the time honouring our commitments to the United States, I cannot see that that is anything that people could object to.

Mr Denis MacShane (Rotherham) (Lab): May I warmly welcome this entente militaire? If President Sarkozy is moving in the direction of America, it is good to see the Secretary of State moving in the direction of Europe. Does he recall that on 5 July I asked him about creating a common drone? I am glad to see that that is in the new agreement. May I ask that real efforts be put into creating a common drone industry between France and England? When we have our first Euro-drone, perhaps it could be baptised "The Flying Fox".

Dr Fox: In the spirit in which the right hon. Gentleman asks his question, I will not use the word "drone" in any pejorative sense in my reply. Suffice it to say that we do believe that looking at co-operation on unmanned air systems makes a great deal of sense. A finite amount of money will be available for research. Where we are able to carry out that sort of co-operation in our industrial base, and where we are not spending taxpayers' money reinventing the wheel, as has so often happened in the past, in the United States as well as in Europe, it makes a great deal of sense to do so.

Mr William Cash (Stone) (Con): Will the Secretary of State confirm that the arrangements will in no way affect our operational theatres of war, so that we will in no circumstances find that there is a conflict of any kind between orders that were given by our military or other services as compared to those of the French?

Secondly, if this Anglo-French arrangement—

Mr Speaker: Order. I simply say to the hon. Gentleman, who is a very experienced Member to whom I always listen with great interest, that one question is enough—he should not be greedy.

Dr Fox: My hon. Friend is correct.

Mr Speaker: I am grateful.

Sir Stuart Bell (Middlesbrough) (Lab): The nuclear defence of our country is the most significant and important issue to hit the House of Commons, and it is a bit strange that this is an urgent question, not a statement.

Is my right hon. Friend the shadow Secretary of State right when he says that we are both—France and the United Kingdom—nuclear powers, that we both have seats on the Security Council, and that the agreement will strengthen NATO, strengthen the European Union, strengthen our country, strengthen France and be in the national interest?

Dr Fox: I have great pleasure in agreeing with the hon. Gentleman on all those issues. This agreement does strengthen our position on the nuclear deterrent because it makes a considerable investment well into the future, enabling us to carry out the complex physics that are required for the safety of our nuclear stockpile.

Mr James Clappison (Hertsmere) (Con): I welcome what my right hon. Friend has said about Britain preserving its freedom of action in this bilateral agreement. Will he confirm that this has nothing at all to do with the common foreign and security policy, under which we could well lose our freedom of action?

Dr Fox: The Government have been very clear, as we were throughout today's statements by the Prime Minister and President Sarkozy, that this is an agreement by two sovereign nations agreeing to co-operate where it is in their mutual interest to do so, but totally retaining the capability to act separately where their respective national interests require it. Many of us feel much more comfortable with that model than the supranational idea of defence mediated by the bureaucrats of the European Union.

Mr David Crausby (Bolton North East) (Lab): How can the House be assured that amidst co-operation on nuclear matters between us and both the French and Americans at the same time, our independent nuclear deterrent will remain independent for a very long time?

Dr Fox: For a long time there has been a French-American bilateral relationship and an Anglo-American bilateral relationship on the nuclear deterrent. As the former Defence Secretary, the right hon. Member for Coventry North East (Mr Ainsworth), will know, there has been discussion for some time about whether the relationship should be trilateral, given the cost of the programmes, but the decision has been taken that for the moment the double bilateral relationship will continue. We are strengthening the third, Anglo-French, part of that, because we believe it is in our interests to do so for reasons of both cost-effectiveness and our obligations under the non-proliferation treaty.

Nicholas Soames (Mid Sussex) (Con): I warmly congratulate the Secretary of State and the Prime Minister on bringing to birth this long-overdue arrangement. Can the Secretary of State confirm that co-operation on the ground between the British and French armed forces has been very long standing, and will he say something about the number of formations across the armed forces that will co-operate with their French counterparts?

Dr Fox: I am very grateful to my hon. Friend for his welcome. He is entirely correct that there has been long-standing co-operation. Some of the things that I have read and heard today have made it sound as though this was the first time there had been any military co-operation at all between the United Kingdom and France. Beginning with joint exercising next year, we will examine ways in which we can organically take forward co-operation such as we have outlined today. There is no big bang—this is about working out how we can best improve the relationship incrementally and build confidence over a long period, given the complexities of Afghanistan and so on.

Chris Bryant (Rhondda) (Lab): I, too, congratulate the Secretary of State on the pro-European, very sensible measure that he has introduced. He mentioned introducing

[Chris Bryant]

the treaties "in the normal way". I presume that that is a reference to the Ponsonby rule, which we amended earlier this year. Will he therefore guarantee that, as provided for under that rule, there will be a debate and vote on the treaties in each House, so that we can scrutinise the details line by line?

Dr Fox: The Government business managers, in conjunction with the Opposition, will set out how the process will take place, but my personal choice would certainly be to ensure that both Houses have a full opportunity to debate these measures, not least because it would give them the chance to understand fully the benefits that they will bring the United Kingdom.

Mr Bernard Jenkin (Harwich and North Essex) (Con): Is my right hon. Friend aware that earlier today, the Downing street spokesman described the agreements as being about "our strategic partnership" with France? Does he agree that a little modesty about them would be in order, and that we cannot have a strategic fusion with a country that has historically had, and still has, diametrically different strategic objectives on the world stage? We had better recognise the primacy of the relationship with the United States.

Dr Fox: Fortunately, it is still this country's Secretaries of State, not Downing street spokesmen, who reply for the Government in the House of Commons. It is very important, however, that we understand the huge overlap with France in our strategic overview. My hon. Friend calls for greater modesty, but on the other hand we should not lack ambition.

Thomas Docherty (Dunfermline and West Fife) (Lab): Given that the Charles de Gaulle will be out of service for a minimum of 18 months, and that we have no Harriers left in our Fleet Air Arm, will the Secretary of State clarify who would defend the Falkland Islands if there were an unforeseen event?

Dr Fox: The defence of the Falklands depends on our ability to deter any aggression, and that is being done through the increased use of Typhoon aircraft, our increased air defences and the presence of hunter-killer submarines, which is quite sufficient. There are those who ask whether we have a plan to retake the Falkland Islands. No, no more than we have a plan to retake Kent, as we have no intention of losing them.

Kris Hopkins (Keighley) (Con): As a former member of the Duke of Wellington's Regiment—that noble Lord had some success in dealing with the French—may I ask the Secretary of State to reassure me that this is not a step towards a European army?

Dr Fox: One hundred per cent. Absolutely. This is not about increasing the defence capabilities of the European Union as an institution. I repeat—this is about two sovereign nations, which, between them, spend 50% of all the defence spending of the NATO members in Europe, and 65% of the research spending. It makes a great deal of sense for us to co-operate, but it is absolutely clear that this is about two sovereign nations that are willing to co-operate when it is in their mutual interest to do so, but keep their ability to act separately when their national interests require it.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): In the Scottish National party, we watch these treaties with France with great interest, echoing as they do, beyond the entente cordiale to 1295 and what became known as the Auld Alliance between Scotland and France. Again, that was about two sovereign nations being prepared for any belligerence from a neighbour. In the modern day, perhaps it is a glimpse of things to come when independent countries work together to keep their sovereignty. Although I hope to see the French in increasing numbers in the Hebrides range, is there any possibility that we might see the French air force providing Nimrod cover?

Dr Fox: We will be looking across the board at where we can co-operate. To hear those who claim to represent Scotland moving from the Auld Alliance to a pathetically anti-NATO posture is one of the saddest things in contemporary politics.

Christopher Pincher (Tamworth) (Con): As the Secretary of State has said, co-operation between France and Britain is nothing new. We have co-operated in the Gulf, Bosnia, Afghanistan and, I am pleased to hear, also in Louth and Horncastle. What is new is the decision by France to adopt a more transatlantic defence posture. Does he agree that that is welcome?

Dr Fox: Of course it is welcome. It is extremely good for France to have a more NATO-centric view and to be more Atlanticist. Such a position shows the stark contrast between President Sarkozy and some of his predecessors. It is something that this country has called for consistently, and now that we have it, we should welcome it. We should encourage France into an ever-stronger pro-NATO position.

John Woodcock (Barrow and Furness) (Lab/Co-op): The Secretary of State will know that the Americans being fully consulted on this measure is not the same as their agreeing to it. Will he say whether they believe that this will not damage our nuclear co-operation in future?

Dr Fox: I was personally involved in discussions with the United States on this issue. After we made some of the details available, there was no resistance from either the Administration or the military to this proposal. They were fully satisfied that it met the reservations that they might otherwise have had.

James Morris (Halesowen and Rowley Regis) (Con): I welcome the Secretary of State's announcement today. Does he agree that this type of co-operation is a strategic model that is vital to Britain's interests, given that the national security strategy identified global terrorism and cyber-security as the most pressing threats to Britain?

Dr Fox: We live in a world in which our national and overseas interests are likely to be threatened in more places and by more people than at any time in the past. It therefore makes sense for us to have as many levers as possible to deal with that—either through our membership of NATO or through active bilateral relations with those countries that could be strategic partners. On a number of occasions, the Foreign Secretary has set out where we should be looking to augment our international obligations and treaties with those elevated bilateral

relations. Today, we have set out what is happening with France. Next week, I shall be attending a summit in Norway, where we will set out the areas where we perceive there could be greater co-operation with some of our Nordic partners.

Stephen Pound (Ealing North) (Lab): I am as communautaire as the next man, and I recognise that this country has a long and successful history of military engagement with the French. Will the Secretary of State reassure the Greenford branch of the Royal British Legion and the Royal Naval Association that there will be no mixed-manning in the fleet as they are not enthusiastic about what they describe as "the prospect of garlic in the galley"?

Dr Fox: This is about our being able to co-operate, and not to integrate at the sort of level that the hon. Gentleman suggests. I make no comment about his own culinary tastes.

Penny Mordaunt (Portsmouth North) (Con): The Secretary of State mentioned that the treaties would enhance our relationship with the United States. What assessment has he made of the willingness of the US to share intelligence information with us now that we have signed those treaties?

Dr Fox: This is nothing to do with our intelligence relationship with the United States; this is about practical military co-operation with our biggest continental ally.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Do the treaties specify in what language the two sovereign nations will communicate when they work together?

Dr Fox: An element of some of the coverage today has been to ask what the language of war will be. In the last few years, we have had commanders of the international security assistance force in Afghanistan from Turkey, Germany, Canada, France and Italy, as well as the UK and the US, and we had no linguistic problem.

Joseph Johnson (Orpington) (Con): Could the Secretary of State give an indication of the value for money savings to be achieved over the 50-year life of the treaties, or if that is not possible, over the course of this Parliament?

Dr Fox: We will be looking in that context at some of the projects that we considered in the SDSR, such as A400M support and training. As I said in answer to a previous question, there is no point in us reinventing the wheel at taxpayers' expense. Where we have common platforms, we should be looking at common support and training. We will also want to look at the future strategic tanker aircraft programme to see whether, within the private finance initiative set out and agreed by the previous Government, we can get better value for money for British taxpayers by having the French use some of that facility.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): When one carrier is in extended readiness and when the second is in for refit, is it true that we would have use of a French carrier only if the French were not using it themselves, and only if they agreed to let us use it for our purposes? Would we not be better combining with France to attack Brussels?

Dr Fox: The hon. Member for Ealing North (Stephen Pound) just said that we are all communautaire, but I suppose there has to be an exception to every rule. If both nations are operating a single carrier, there will be times when both carriers are available as part of our NATO obligations, and times when none is available unless we come to an arrangement that enables us to have a sensible refit policy that ensures that one is always available. That would not mean that either nation can force the other to do something it did not want to do, but it would increase the chance of having some capability as opposed to none.

Neil Parish (Tiverton and Honiton) (Con): I welcome the Secretary of State's statement on better co-operation with France, which makes military and economic sense. Will he look at the fine print on opening our markets in procurement, because my knowledge of the French is that opening up markets is not their greatest strong point?

Dr Fox: When my hon. Friend gets a chance to look at the treaty, he will see that we were very keen to ensure that there is a genuine opening up of the defence market. A partnership is a partnership, and it must work in both directions.

Mr Philip Hollobone (Kettering) (Con): With Russian aircraft and submarines increasingly probing Britain's airspace and sea approaches, is it envisaged that French air or naval assets will ever be involved in responding to and deflecting such activity?

Dr Fox: When it comes to the different elements of layered protection for our deterrent, we will use not only any UK assets available, but any of our allies' assets that are available. We should remember that our nuclear deterrent is part of NATO's nuclear posture, and therefore, NATO has a responsibility. It will help us as we would help it.

Several hon. Members *rose—*

Mr Speaker: Order. I am grateful to colleagues for considering this very serious matter in such a good-natured fashion.

Point of Order

4.38 pm

John Healey (Wentworth and Dearne) (Lab): On a point of order, Mr Speaker. Earlier this afternoon in Health questions, the Secretary of State either misled the House or made a serious mistake—I prefer to believe that it was the latter—when he told the House that I was wrong to say that the Government are breaking their promises on NHS funding. He said that even if the switch in extra funding to social care is excluded, the NHS budget will nevertheless increase in real terms over the next four years. However, the Nuffield Trust and the House of Commons Library both confirm that the budget will be cut. Can the House, through you, Mr Speaker, ensure that the Secretary of State corrects his statement this afternoon, at the earliest opportunity?

Mr Speaker: The short answer to the right hon. Gentleman is, no, not in the immediate term, because I sensed from what he said—and I listened very carefully—that that is a matter of political debate, and there will be argument about who is right or which facts trump others. I therefore cannot offer him the early prospect, or indeed any certain prospect, of a statement.

The right hon. Gentleman and I came into the House together in 1997, so I know him relatively well—he is a very experienced and wily campaigner. He has just put his own verdict on the Government's position very forcefully on the record in prime time, and I have a feeling that he will share that verdict with others.

John Healey *rose—*

Mr Speaker: Order. There is no further point of order to be made. The right hon. Gentleman has done very well out of me. He should be grateful and exultant. He should be saying thank you to me rather than looking for a second go.

If there are no further points of order, we will deal with the ten-minute rule motion, for which the Member concerned has been patiently waiting.

Cheques

Motion for leave to introduce a Bill (Standing Order No. 23)

4.40 pm

Mr David Ward (Bradford East) (LD): I beg to move,

That leave be given to bring in a Bill to make provision to ensure that cheque facilities continue to be available to customers of financial institutions; and for connected purposes.

Something brings together the Federation of Small Businesses, Age Concern, Help the Aged, the union Unite, Which?, the Royal National Institute of Blind People, the Institute of Fundraising and, of course, more than 120 Members of Parliament who have signed an early-day motion tabled by my hon. Friend the Member for Cheadle (Mark Hunter). What do they all have in common? They all have major reservations about the scrapping of cheques.

That preferred method of payment is used by hundreds of thousands of people every single day. In fact, the total number of cheques written out each day is close to 4 million, or more than 1.3 billion a year. Despite this very clear message that cheques are still valued by the customers of the major banks and other payment service providers, last December the Payments Council agreed on their behalf to scrap cheques in 2018. That decision will, I believe, have major ramifications.

Some may ask, "What is the rush? 2018 is a long way away. Why do we have to take action now to head off the threat of cheque abolition in the future?" After all, we are led to believe that the final decision will not be made until 2016. However, if the Payments Council can set its own criteria and targets for scrapping cheques, it also has the power to try to make the abolition of cheques a foregone conclusion. Some will argue that this is simply a business decision to reduce costs, the benefits of which can then be passed on to customers. Well, this is hardly a shining example of the free market at its best, as what is in effect a cartel has collectively agreed to remove from the market a service, knowing that no individual bank can do anything to stop it.

This Bill is borne not out of nostalgia, but out of an acceptance of the present. The Bill does not attack the independence of businesses, but would protect the rights of their customers. The Bill would not condemn customers to an outdated method of carrying out financial transactions, but would give all those carrying out such transactions greater choice in how they do so in the future.

The truth is that setting an end date for cheques will inevitably accelerate the process by which businesses stop accepting cheques and individual banks stop issuing them, making the demise of the cheque a self-fulfilling prophecy. The Payments Council does not have much confidence in its ability to wring this particular chicken's neck. It has forecast that, whatever it does and whatever we do—including if we are not successful in stopping this action—then even on the cheque's deathbed in 2018, there will still be 2 million cheque transactions being made every day. Some chicken, some neck.

I have referred to my concerns about what I believe to be the major ramifications of cheque abolition, but I am here to voice the concerns of some of the groups that I have mentioned. The Federation of Small Businesses

has strongly argued that the abolition of cheques will have a detrimental effect on smaller firms—not my words, but those of the FSB, which also says that many small businesses rely on cheques, which to them represent the most convenient system. They provide an excellent audit trail, are easy to reconcile and require minimal administration. Far from achieving our stated aim of decreasing the burden on small and medium-sized enterprises, switching away from cheques could increase it for some businesses.

Many clubs, charities and societies receive an overwhelming proportion of their donations in the form of cheques. While larger organisations have the facilities to process other means of payment, it is the small, local organisations, reliant on volunteers, that will suffer. Blind and partially sighted people are particularly reliant on cheques, as was made clear to the Treasury Select Committee. Members of the Royal National Institute of Blind People feel that cheques give them a greater sense of control. They can sign them and check the figures with a magnifying glass, whereas with chip and pin, it is almost impossible for them to read and check the amounts that they are paying.

However, by far the largest group of people who are most reliant on cheques are the elderly. That is partly out of habit and partly out of necessity. The elderly are also the group who will find it hardest to adopt alternatives. The Payments Council's projections assume that there will never be a time when cash will be substituted for cheques, but the evidence from abroad does not support that. The fewer cheque transactions there are in a country, the more people will use cash and the greater the number of cash transactions there will be. Overall, my concern is that people will move back to cash and start keeping large volumes of money in the house, making them vulnerable to theft. That is not scaremongering; it is simply what will happen. The ability of elderly people to continue to manage their finances independently by using cheques is crucial, and particularly for older people who are housebound, whether it is about paying the paper bill or including a little something in a card to the grandkids. It is about financial independence.

Behind the Payments Council's proposal is no doubt a belief that—I guess there is no delicate way of saying this—many of the existing elderly cheque users will not be around in 2018. However, the latest edition of Age UK's political bulletin reveals that 64% of people aged 65 or over have never used the internet—and, let us face it, never will. Despite the inconvenience to the Payments Council, I wish all those who took part in Age UK's research a long and happy cheque-using life.

So far I have focused on whether it is wise to remove the option of cheque use, but there is a further issue. Who should make the decision? We in this place may agree or disagree with the decision to scrap the cheque, but surely we can find common ground on the view that the decision is too important to be left to the Payments Council, which is essentially a trades association. Eight of its 28 members do not even offer current accounts and cheque books. Many are foreign-owned banks that do not offer current accounts and cheque books, while many are businesses based on alternative methods of payment, such as PayPal or Cash Zone. How on earth can the decision represent an independent and impartial view? Yet those businesses would still have a say in whether the UK should retain its centralised cheque clearing system. Can this be right? I think not.

The subject of my Bill is not a purely financial consideration; I believe that it is a matter of public interest. The consideration of the demise of the cheque should be made by a body that has the independence, the objectivity and the competence to balance the needs of consumers with the savings to the banks; but further, I would argue that any final decision should be made by a body accountable to Parliament. I urge hon. Members to support my Bill, which will bring cheque payments under the consumer protection remit of the Financial Services Authority or its subsequent body.

I am a new arrival in this House, so I am a late arrival to this worthy cause. I pay tribute to my colleagues, and to my hon. Friend the Member for Solihull (Lorely Burt), for providing a lead on this campaign before I arrived here, as well as right hon. and hon. Members of other parties who have supported this campaign in the past. I have joined a campaign that has increasing momentum, and I ask for the support of the whole House to allow us to take it to its next stage.

Question put and agreed to.

Ordered,

That Mr David Ward, John Thurso, Lorely Burt, Stephen Williams, Dr John Pugh, Jim Dobbin, Tom Blenkinsop, Kelvin Hopkins, Dr Julian Lewis, Mr Greg Knight, Robert Halfon and Andrew Stephenson present the Bill.

Mr David Ward accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 17 June, and to be printed (Bill 101).

Parliamentary Voting System and Constituencies Bill

[Relevant documents: First Report from the Welsh Affairs Committee, The implications for Wales of the Government's proposals for constitutional reform, HC 495; Third Report from the Political and constitutional Reform Committee, Parliamentary Voting System and Constituencies Bill, HC 437, and oral evidence taken before the Committee on Thursday 15 July on the Coalition Government's programme of political and constitutional reform, HC 358-i.]

[2ND ALLOCATED DAY]

Further consideration of Bill, as amended in the Committee

Clause 4

COMBINATION OF POLLS

4.52 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): I beg to move Government amendment 18, page 3, line 1, leave out subsection (4) and insert

'(4) The polls for

(a) the referendum,

(b) the general election of members of the Northern Ireland Assembly to be held on 5 May 2011, and

(c) the Northern Ireland local elections to be held on that date,

are to be taken together.'.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to discuss the following: Government amendments 19 and 44 to 46.

Amendment 222, in schedule 7, page 212, line 36, leave out from 'combination' to end of line 38 and insert 'is to be the sole responsibility of the United Kingdom Government'.

Government amendments 47 to 179 and 22 to 43.

Mr Harper: These amendments update the combination provisions in the Bill to reflect the following draft orders, which were laid before Parliament by the Scotland and Northern Ireland Offices on 25 October: the Scottish Parliament (Elections etc.) Order 2010; the Northern Ireland Assembly (Elections) (Amendment) Order 2010; and the Local Elections (Northern Ireland) Order 2010.

The purpose of the amendments is to ensure that the combination rules in the Bill work effectively with the rules governing elections to the Scottish Parliament and the Northern Ireland Assembly, and local elections in Northern Ireland, in the event that the draft orders are approved by Parliament, as the Government hope. No amendments have been necessary in relation to the combination provisions for Wales. Although the rules governing elections to the National Assembly for Wales will be updated by the National Assembly for Wales (Representation of the People) (Amendment) Order 2010, if approved by Parliament, none of the amendments to be made by this order affects any rules relevant to combination with the referendum. This order was also laid in draft before Parliament on 25 October.

The majority of the Government amendments make technical changes to the Bill to pick up minor consequential amendments that have emerged in relation to the numbering, cross-referencing and terminology following the laying of the draft territorial orders on 25 October.

Amendments 18 and 19 are consequential on the laying of the Local Elections (Northern Ireland) Order 2010, which fixes the date for the 2011 local elections in Northern Ireland. There is no intended change in the effect of the provision; rather, the amendment brings the wording of subsection (4) more into line with that of subsections (2) and (3), which is possible now that the date of the elections has been set.

Amendments 22 to 30 and 32 to 41 are not consequential on the draft territorial orders, but are technical changes to ensure that it is clear which set of postal voting provisions applies when polls are combined in Wales and in Scotland. The provisions in schedule 4 to the Bill will not apply, because, following our amendments in Committee, the same job is now done by the combination schedules. Amendment 43 corrects an omission in schedule 4 to the Bill about the marking of postal voters lists and proxy postal voters lists in Northern Ireland.

While the majority of the amendments are minor and technical, the key exceptions are amendment 172 and amendments 177 to 178, which, for the first time in the combination provisions, set out the details of the joint issue and receipt of postal ballot papers in Northern Ireland. The chief electoral officer, with the agreement of the chief counting officer, will be able to decide to take postal ballot proceedings together in the three polls taking place in Northern Ireland. These amendments make the necessary provision for that process to work. If the chief electoral officer decides to deal separately with postal ballot paper proceedings in the three polls, the existing legislation, as amended by the two Northern Ireland Orders, will apply, largely unaffected by the Bill.

The amendments give effect to our agreed policy that when the chief electoral officers decides, with the agreement of the chief counting officer, that the issuing and receipt of postal voting ballot packs is to be combined for the referendum and the relevant elections in Northern Ireland, he can ask the relevant registration officer to produce a combined postal voters list and combined proxy postal voters list. The amendments also make clear who is entitled to be present at proceedings on the joint issue and receipt of postal ballot papers. They provide for all the ballot papers to be sent out and returned in the same envelopes, and they set out the procedure for forwarding and retaining documents related to the joint postal voting process—for example, declarations of identity, the proxy postal voters list and the postal voters list.

The postal voting amendments for Northern Ireland also include the creation of two new forms of declaration of identity that can be used for Northern Ireland Assembly and local elections, when proceedings on the issue and receipt of postal ballot papers are not combined. Equivalent forms already exist for England, Scotland and Wales.

Mr Nigel Dodds (Belfast North) (DUP): When people receive the envelope containing their postal vote, will they therefore need just one person to attest to their signature for all three votes, or will three separate witness signatures be required—one for each ballot paper?

Mr Harper: There are two stages to the process. If the chief electoral officer and the chief counting officer agree to combine the issue of the postal votes, which is a new procedure in Northern Ireland, everything will be sent out in the same envelope, and the same person will then be able to attest on the ballot paper. The whole

point is to make the combination of the two elections and the referendum in Northern Ireland work as smoothly as possible. That is the most significant change in these combination provisions, and I hope that it will help the proceedings in Northern Ireland.

Amendments 156 and 157 include revised forms for the postal voting statement for the Scottish Parliament election, when the issue and receipt of postal ballot papers is not combined, and for the statement on the postal ballot papers that have been issued and received in Scotland for the referendum on the voting system. This takes into account the changes that were made to the forms for Scottish parliamentary elections by the Scottish Parliament (Elections etc.) Order 2010.

The rules relating to the conduct of the elections next year are governed by the elections orders I have set out, and they will be debated in Parliament, following the usual procedures, in the near future. If Parliament agrees the orders, the relevant changes to the combination provisions enabling the referendum to be combined with them are in these amendments, which I shall ask the House to agree.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): Do the amendments take into account the possibility of the Scottish parliamentary general election next year not being held on Thursday 5 May?

Mr Harper: If that election were not held on the same day, we would not be combining the referendum with the Scottish Parliament election. The combination provisions will be required if the elections take place on the scheduled day and if the referendum is also held on that day. The elections can then be combined so that they are more efficiently run and provide a considerable cost saving to the taxpayer.

Mark Lazarowicz: The Bill provides for the polls for the referendum and the Scottish Parliament general election of 2011 to be taken together. If, under the Scotland Act 1998, the Scottish Parliament election were to be held in March next year, would the referendum in Scotland be held in March as well?

Mr Harper: The provisions enable the referendum to be combined with the election, if they are taking place on the same day. Given that they are scheduled to take place on the same day, the provision is clearly sensible. If an eventuality arose under the Scotland Act causing the Scottish parliamentary elections not to be held on that day, the two would not be combined. The Bill does not change those provisions in any way. Indeed, the conduct of the elections is to be determined by the elections orders, which this House and the other place will debate in due course. These provisions are about how to combine the referendum with the conduct of those elections. I hope that that is clear.

5 pm

There is one non-Government amendment in the group—amendment 222—and it might help if I say a few words about it. It is proposed by the nationalist parties and was tabled by the hon. Members for Na h-Eileanan an Iar (Mr MacNeil) and for Carmarthen East and Dinefwr (Jonathan Edwards). It would require the UK Government to pay for the cost of combining the referendum and the Scottish parliamentary election on 5 May. We do not consider that necessary because the UK Government are already responsible for funding both polls. Funding for the referendum and the Scottish parliamentary elections already comes out of the Consolidated Fund and is borne by the UK taxpayer. Combining the polls also makes sense, because potential savings of £30 million may be shared between the referendum and the other poll. I will listen very carefully to the arguments of the hon. Member for Na h-Eileanan an Iar, but having looked at the amendment with great care I am so far unconvinced of its necessity. I urge the House to accept the Government amendments.

Kevin Brennan (Cardiff West) (Lab): I notice that the instructions set out in amendment 156 ask voters to complete the ballot paper and form "in black ink". Is the same instruction in the original Bill, and by building this provision directly into the Bill would we invalidate the ballot papers or forms of voters who chose to use another colour of ink?

Mr Harper: The proposed forms are set out in the Bill, but some changes are necessary to reflect the changes in the election orders. I have the provision in front of me, and it says:

"Please write clearly in black ink."

We had this debate earlier and I have said that if a clear intention has been set out by the voter, the returning officer—or, in the case of the referendum, the counting officer—will allow the vote. The view is usually taken that voters should be included rather than excluded. Clearly, the instruction is intended to make it as easy as possible to read the votes.

Kevin Brennan: I appreciate that. The Minister might be able to elucidate later whether the requirement for black ink was part of the original instruction. My fear is that when something is written directly on the face of a Bill, it is sometimes open to a more literal interpretation than the Minister has indicated would be the normal practice. If not now, perhaps he could clarify the point later.

Mr Harper: All the forms for elections are usually set out in secondary legislation, but we have set them out in primary legislation. The legal effect, however, would not be different. Another provision we adopted earlier to make the forms more understandable and accessible to disabled people was to allow the Electoral Commission to vary not the ballot paper, but the forms, to make them easier to use. If the Electoral Commission felt at a later stage that any of the forms were difficult for people to use, it would be able to amend them. As I said, however, that does not apply to the ballot paper.

Geraint Davies (Swansea West) (Lab/Co-op): The Minister gave evidence to the Welsh Affairs Committee. Has he any comments on the concerns that were expressed about the possible coincidence of the alternative vote referendum and the Welsh Assembly and parliamentary elections, given that some people might choose to have a postal vote for only one of those? Officials feared that that would generate horrendous administrative problems that would undermine the democratic process on the day.

Mr Harper: I do remember giving evidence to the Welsh Affairs Committee and I enjoyed it tremendously. I was sorry only that the experience was too short.

I do not remember whether the hon. Gentleman was present when we debated the postal vote provisions in Committee, but the Government decided that the most sensible arrangement would be for standing postal vote provisions for a United Kingdom parliamentary election to kick in automatically for the referendum, but for that not to apply to people with postal vote provisions for a different election.

When voters receive their polling card, it will helpfully set out for them the elections and the referendum to which their voting entitlement applies—that will deal with the circumstances in which there are different franchises—and will also make clear how their postal vote has been set up. They may not have one set up for the referendum, for instance, but they may have one set up for a local election. That will enable them to take action at that stage and, if they prefer to vote by post, ensure that they can do so in the elections and the referendum.

Chris Bryant (Rhondda) (Lab): Form 4, which appears on page 245 of the Bill, results from an amendment that the Minister tabled to the original Bill. There is now a new form, which appears in amendment 156. Why did the Minister not simply table amendment 156 in the first place, given that the forms are very different?

Mr Harper: As I said earlier, the changes that we have tabled today to the combination provisions reflect the changes in the conduct of the election orders that were laid before the House. We wanted to ensure that it was as easy as possible to combine the polls, and that the instructions given to voters for the referendum and the elections were aligned with each other. The original amendments and combination provisions were based on the law as it was before the territorial orders had been laid. I think that that is quite straightforward.

Chris Bryant: Obviously I understand the process—as I am sure the Minister has foreseen, it is one of the matters on which I shall express my disagreement with him—but the requirement for people to write in black ink, which was raised by my hon. Friend the Member for Cardiff West (Kevin Brennan), is not included in the form that appears in the amended version of the Bill, but is included in the form that appears in the amendment. Why was that change made?

Mr Harper: I will not write to the hon. Gentleman—

Chris Bryant: In black ink?

Mr Harper: In black ink or any other colour. Instead I hope that I shall be able to elucidate the position for both hon. Gentlemen at the end of the debate.

Kevin Brennan: I do not want to push the point too far, but it is a serious point. Normally, people are issued with a pencil at polling stations. Given that, as the Minister has confirmed, the "black ink" instruction did not appear in the original version, I am intrigued that it has suddenly found its way into this version. Will people be required, or instructed, to use black ink at polling stations? I fear that that could lead to unnecessary confusion: that is the only point I am making.

Mr Harper: It is a very helpful point, and I will respond to it at the end of the debate.

Without any further ado, I urge the House to support the amendments in due course.

Chris Bryant: Let me deal first with the process. The Minister referred to statutory instruments. All the amendments we are discussing, bar the one tabled by members of the Scottish National party, were tabled by the Government, and they cover some 28 pages of the amendment paper. They were not tabled because the House demanded amendments, or because the Government said in Committee that they would consider probing amendments and return with further amendments on Report. They have been introduced because the Government have gone through a process of putting various carts and horses in the wrong order. I fully recognise that I am not as versed in country ways as the Minister, who represents the Forest of Dean, but I recognise when parliamentary procedure is being put in the wrong order, and it would have made far more sense to have proceeded with pre-legislative scrutiny and proper consultation with the devolved Administrations in Wales, Scotland and Northern Ireland, and then to have proposed legislation in draft form. We should bear it in mind that not a single devolved Administration wants a combination of polls next May, but if the Government's view is nevertheless that they wish to push forward with that, against the wishes of the three devolved Administrations, they can then introduce statutory instruments to make provision under the Scotland Act 1998, the two Wales Acts of 2000 and 2006 and the Northern Ireland provisions. They would do that first, and the proposals would then be considered in this House and the House of Lords and, if agreed to, the Government would introduce the final version of their Bill. Instead, because the Government are running at an inappropriately fast pace for this kind of legislation, there has been no consultation whatever with any of the devolved Administrations—with either the Assemblies or the Parliament or the Executives or Governments in each of those nations.

There has been no process of consultation on the Bill, but there has also been no process of consultation on the orders. The Scottish Parliament (Elections etc.) Order 2010 is some 205 pages long; it is not a minor tome. It includes measures on election expenses, disputed claims, corruption, entreating, the control of donations to candidates, the appointment of election agents, the requirement of secrecy, the breach of official duty, tampering with nomination papers, and personation and other voting offences. I am sure the Government will say that this entire matter is a reserved responsibility and that it is for the Westminster Government to decide, but it would have showed greater respect for the devolved Administrations if they had consulted them before the orders were laid.

Mr Wayne David (Caerphilly) (Lab): On the consultation issue, I know from experience that regular meetings used to take place, and presumably still do, between the First Minister in Wales and the Secretary of State for Wales, and I guess that the situation in Scotland is the same. The meetings take place frequently—sometimes once a week, or even more—so there is no reason why there cannot be dialogue and consultation at a relatively early stage. Can my hon. Friend explain why even the most basic communication has not taken place?

Chris Bryant: I cannot give any explanation for that. All I know in relation to the Secretary of State for Wales is that, with regard to another matter, I asked on the Floor of the House in June for a meeting with her on a cross-party basis and she said she was quite happy to have one as soon as possible. The first date that was provided was this afternoon. The Secretary of State did not turn up and her officials had booked the wrong room. It is therefore quite possible that if any consultation on the matter under discussion had been planned, it would not have actually taken place.

Mr David Hamilton (Midlothian) (Lab): Does my hon. Friend agree that nowhere will he find a requirement that a discussion should be held if the boundaries in Scotland have to change—yet again? There should also have been a discussion with MSPs about the Scottish boundaries, and about local authority areas. That would have made more sense in terms of our working together and coming up with a solution that is not a patchwork quilt.

Chris Bryant: Or, indeed, just a muddle. One of the things that Welsh Members have been trying to say during the discussion of this Bill is that on the combination of polls, lessons need to be learned from the situation in Scotland, where the boundaries for MSPs are no longer coterminous with those of Members of Parliament. In addition, in Scotland but not in England or in Wales, wards are being split between constituencies because of the local government arrangements that have been made as a result of large single transferable vote wards.

5.15 pm

Huw Irranca-Davies (Ogmore) (Lab): My hon. Friend, like many others on the Opposition Benches, will have sat through proceedings on large Bills with a huge number of clauses and schedules. When a lot of late amendments are tabled, that is, in general, a tribute to the civil service, who are working through the night and burning the midnight oil to draft them. However, we have come to recognise that it is also a symptom—not unique to this Bill—of legislation that is not ready. My concern, which I hope is also the concern of those in the other place, is that this may not be the last we will see of batches and pages upon pages of amendments. I hope that those in the other place will act on that concern, because this is rushed legislation.

Chris Bryant: My hon. Friend, and near neighbour, is absolutely right about that. Interestingly, the Scottish Executive have made direct representations to the Secretary of State for Scotland about the statutory instruments, as has the convener of the Local Government and Communities Committee in the Scottish Parliament. So it was a bit disappointing to see the reply from the Under-Secretary of State for Scotland , which said:

> "I would however like to personally reassure you that Scotland Office officials are working closely with the Cabinet Office; the Electoral Commission; the Interim Electoral Management Board for Scotland; and electoral administrators to ensure that both the referendum and the Scottish Parliament election will run smoothly on 5 May next year."

I do not think that that represents the respect agenda originally referred to by the Prime Minister, and it does not really represent new politics either. I fully understand that the hon. Members for Somerton and Frome (Mr Heath) and for Forest of Dean (Mr Harper) complained bitterly about the way in which we introduced legislation, but introducing it in a way that does not allow amendments to be properly considered in a timely fashion or in the proper order is a ludicrous way of doing business.

Kevin Brennan *rose—*

Chris Bryant: I will give way, but I am keen to move on.

Kevin Brennan: My hon. Friend knows it is unwise not to give way to me, because it might end up in a point of order. I have described this Bill as a Wallace and Gromit Bill because of the way in which, rather like Gromit in "The Wrong Trousers", the Government are laying down the track as they go along. Indeed it is worse than that, because this group of amendments is consequential on a set of statutory instruments that this House has not yet even considered. If that is not getting things back to front, I do not know what is.

Chris Bryant: I do recall my hon. Friend raising the matter of "The Wrong Trousers" and Wallace and Gromit, but I think his metaphor does not work in this case. Gromit was laying down pieces of track ahead of him, whereas the Government are laying down pieces of track behind them—pieces of track that they have not been over; this is putting the horse before the cart before the horse before the cart. There is a real problem in the process that the Government have adopted, and I very much hope that their lordships will want to examine it carefully.

What is also wrong is that because the Government have tabled 28 pages of amendments that we have to debate on Report, they have had to set aside a chunk of time for us to do so. That has been done not because the House wanted it, or to bring about greater consensus on the Bill, but to meet the Government's own business needs, and as a result of their own haste. The fact that we have not had a single moment's debate about the decoupling of seats in the Welsh Assembly and their coterminosity with Westminster seats is a disgrace. If, as we had requested, a knife had not been put in yesterday night's proceedings, it would have been possible for us to have debated that matter now, rather than the measures that we have to debate at this point.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Does the hon. Gentleman agree when a clause is specific to a constituent part of the United Kingdom, there should be allotted time to debate that clause?

Chris Bryant: I am afraid that I sort of disagree with the hon. Gentleman. It is important that there should be time to debate such a clause. We tabled an amendment yesterday that a clause should be deleted from the Bill, just so that we could have that debate. On Report there is no other way of having that debate—but I am not sure that it is always right to put in knives, because that leads to some complexities in the management of time. That is why we argued that we should not have knives.

Mr Harper: While the hon. Gentleman is replying to the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), will he explain something to the House? It is true that we did not get to the debate on the decoupling provisions, but he will know that the provisions

[Mr Harper]

to decouple the Welsh Assembly constituencies from the Westminster ones are supported by the First Minister of Wales. The First Minister has written to the Secretary of State to state that in terms, so it is surprising that the Labour party in Westminster is taking a different position from the Labour party in Wales.

Chris Bryant: It is surprising that a Government that consists of Conservatives and Liberals is taking a view on the number of seats in Parliament that is different from what was in both parties' manifestos at the general election. The point is that we should have had time to debate these matters, and we have not had a single moment to debate them. I would merely say that I hope that their lordships will take the opportunity to debate the matters that it has not been possible for us to reach.

Let me swiftly deal with some of the amendments. The Minister is absolutely right that the vast majority of the amendments are relatively technical. However, that does not mean that we should be able to agree them today, because we have not agreed any of the statutory instruments on which they depend—he said "if" the statutory instruments are approved by Parliament. There is an enormous presumption in tabling amendments to meet a piece of legislation that has not yet been agreed. That treats this House with a degree of disrespect that is inappropriate.

Amendment 222, tabled by the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), is about the costs of running the polls being met by the UK Government. The Minister is right to say that the costs are all met by the Consolidated Fund, but I presume that the hon. Gentleman's amendment has been tabled to make the point that he thinks that the responsibility for running the Scottish parliamentary elections should be the responsibility of the Scottish Parliament—*[Interruption.]* He is not nodding; he is looking inscrutable at the moment. That is unusual for him, because he is normally extremely scrutable. Perhaps we will have to wait for his contribution to the debate.

The vast majority of these amendments make changes such as substituting "2010" for "2007", because of the different statutory instrument that would be referred to. Although I suppose it would in theory be possible for us to vote on all of them, because we think that it would be inappropriate to decide on them until the statutory instruments have been decided on, we will none the less want to press at least one to a vote simply to make the point that the process has not been sensible.

Government amendment 78, however, refers to the abandonment of a poll in Scotland. When the Minister sums up, will he explain precisely why he has moved in that direction? The amendment relates to line 3 of page 226, in schedule 7. The Minister also referred to Government amendment 177, which is, as he says, a quite substantial amendment. It runs to several pages and concerns Northern Ireland. It runs from page 1047 of the amendment paper onwards. Proposed new paragraph 40(2) states:

"The following provisions have effect as if the persons listed in them included persons who would be entitled to be present at the proceedings on the issue or receipt of postal ballot papers in respect of the referendum or a relevant election if those proceedings were taken on their own."

I wonder why the Minister has chosen that precise wording. Likewise paragraph 42(2) states:

"Otherwise, the provisions listed in sub-paragraph (3) have effect as if the words before 'the colour' were omitted."

It may be that I am very dim, but I simply do not understand that provision in relation to Northern Ireland; it will be for the House's convenience if the Minister explains it.

Similarly, paragraph 44, on spoilt postal ballot papers—again in relation to Northern Ireland—states at sub-paragraph (2):

"The spoilt postal ballot paper may not be replaced unless all the postal ballot papers issued to the person are returned."

I do not understand why, if a voter has been given three ballot papers and has spoilt only one of them and therefore wants a replacement only for that one, they have to return the other two as well. Will the Government explain that? I ask about this because some people believe we should make postal balloting more difficult.

In Northern Ireland there has been a tradition of separate rules and regulations for postal voting, because of concerns about corruption. In case the Government are considering substantially restricting the use of postal voting in England and Wales, I must tell the Minister that the current provisions have made it far easier for a large number of my voters to vote in any election. Previously, people had to get a member of the medical profession to sign them off as ill to get a postal ballot. In many cases, my voters were charged £6 a head for the right to vote in an election by post, which I think is completely wrong. Of course we want to ensure that there is no opportunity for corruption in the use of postal ballots, but my experience is that many elderly and other people, particularly those who cannot predict the precise timing of their work commitments, value the current provisions on postal voting.

Finally, I am deeply grateful to the Minister for sending me an e-mail today about the definition of newspapers and periodicals, but unfortunately the parliamentary system would not let me open the attachment, so I do not have the faintest idea what it says. I would be grateful if he could find some means of letting me know what he was trying to communicate.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I hear about amendments that are probing, wrecking and reasoned, but amendment 222, in my name and that of my hon. Friend the Member for Carmarthen East and Dinefwr (Jonathan Edwards), is simply protesting. It is protesting about what could have been achieved with a lot less resistance had the Government been reasonable and not tried to usurp Scotland, Wales and Northern Ireland's day of democracy—a day that was set in stone, in legislation anyway, 12 years ago.

The Deputy Prime Minister has stuck his neck out on this—indeed, I wonder whether he is prepared for the consequences as it will be his neck on the block if things go wrong—and the Government have proceeded at breakneck speed, disregarding people's feelings and beliefs as well as the important issues that will arise in Scotland, Northern Ireland and Wales next May. That is not a slight against the two Ministers present—the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper) and the Parliamentary Secretary, Office of the Leader of the House of Commons—who have been handling a very sticky wicket quite well indeed.

No time has been taken to consult the devolved Governments on the Bill. However, that was also a mistake of the Labour party in government when it

delivered devolution to Scotland and Wales almost in direct correlation to the strengths of the nationalist parties in those countries. [HON. MEMBERS: "Rubbish!"] That is not rubbish: it is absolutely right. We in Scotland got our Parliament because the Scottish National party is stronger than Plaid Cymru, which is why Wales got an Assembly. I often wonder why Scotland does not have even the powers of the Isle of Man—population 100,000.

In the past several weeks we have had five days to discuss the Bill in Committee. When the hon. Member for Rhondda (Chris Bryant) was not speaking, we even had some time to get the odd word in before the guillotine. The debate was cut off at important points and some very interesting and reasonable amendments were put on to the waste heap of parliamentary time. One of the most interesting amendments came from the hon. Member for St Ives (Andrew George), who tried to ensure that all the Bill's measures, not only those on the voting system but those on the changes to boundaries and the number of Members, would have depended on gaining a positive result in the referendum.

5.30 pm

Members who ran through the Lobby in haste, dismissing the amendment tabled by the hon. Member for Leeds North West (Greg Mulholland), will repent at leisure when they live in a world where boundaries are redrawn every five years, rather than every 10, as the amendment proposed. Perhaps more thought should have been given to that, and might yet be given in another place.

To me, the most important point is the date and the gate-crashing of another election. It is not that the people cannot cope; it is the media that will not cope. We saw how they managed to mangle the general election into a presidential election, with one winner, we were told, and then that turned out to be wrong.

Important issues that matter to the people of Scotland, Wales and Northern Ireland will have to play second fiddle in a one-dimensional media. People should be allowed to have a day and a debate focused on the messages that will affect their daily lives for four years, not a media hullabaloo about a voting system used once every five years. We fear that we have seen what the Government truly mean by the respect agenda.

Chris Bryant: The hon. Gentleman just slipped in, I hope, a reference to a voting system that will be used only every five years. I hope he will not support a five-year fixed-term Parliament, and that I might be able to entice him towards a four-year fixed-term Parliament, which would be a means of guaranteeing that the UK general election did not fall on the same day as a Scottish or a Welsh general election.

Mr MacNeil: The hon. Gentleman makes a good point. The salient point is not whether the election takes place every four years, five years, three years or whatever, but that the referendum coming up next May is usurping the day of democracy and affecting issues over four years. The Minister said that the UK will be solely responsible for the costs, which implies that the amendment has, in effect, been accepted. I welcome that.

When the referendum comes around, I cannot see parties such as the Scottish National party campaigning very strongly for or against. We will have more important things to do. I would encourage the Liberal Democrats to campaign on the referendum, because we will then go and hoover up their seats. A massive mistake is being made by holding that poll on the same day as the elections in Scotland. That is why I am making the protest, and I hope it is being heard. I do not know what will happen in another place, but it should change the provision.

Gate-crashing Scotland's day of democracy shows a lack of respect on the part of the Government. They say that they would have respected the devolved Administrations, but when pressed they tell us that the opinions of the governing parties of Scotland, Wales and Northern Ireland do not matter—a case of words and actions diverging greatly.

The Government need our input. They need all our voices. We need to present issues to the Government and make sure that they do the right thing.

Ms Louise Bagshawe (Corby) (Con): Surely the hon. Gentleman cannot have it both ways. We have heard much from the Opposition Benches about respect for the devolution settlement. This is an issue reserved to the Westminster Parliament, so the question of extensive consultation does not arise. This is a Westminster issue for the Westminster Parliament under our settlement.

Mr MacNeil: That is why respect is important. The day has been set in legislation for the Scottish Parliament for more than a decade. All of a sudden, somebody wanders in, gate-crashes the party and takes the media caravan on to the lawn. Hon. Members cannot imagine that people in Scotland will not be upset or annoyed that that is happening.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): Does the hon. Gentleman agree that it is a disgrace that the Scottish Parliament and the Scottish Government were not consulted? To compound that disgrace, the Government claim that they would pay no attention even if the Scottish Parliament passed a motion in this regard.

Mr MacNeil: The hon. Lady is right. I wish that the status that the Scottish Government, the Welsh Assembly Government and the Northern Ireland Government should have were enshrined in legislation.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I am grateful to my hon. Friend for speaking to the amendment. On the respect agenda, can he explain to me, because I do not understand, why the UK Government are against holding a referendum on further powers for Wales on the same day as the Welsh Assembly elections, yet are in favour of the referendum on AV? Obviously the referendum on further powers is far more relevant in terms of the Welsh Assembly elections.

Mr MacNeil: My hon. Friend makes a very good point, because that is an example of a lack of joined-up thinking, and, if the Government were to undertake this process again, they would not start from here, as it

[Mr MacNeil]

were. They find themselves where they are and have to employ the best arguments, regardless of how sticky the wicket might be.

This Bill, like the spending cuts, has moved fast, and had some respect been shown, we might have supported it to a far greater extent than we have been able to. I shall not push my amendment to a vote, because I am sure that the Government have heard my point. Indeed, I think that the Minister has confirmed that the relevant costs will be the sole responsibility of the UK Government, and that makes me very pleased. However, it is my sincere hope that, until Scotland gains its independence, the Government will give us the respect that we truly deserve—the respect that was shown today to France and on other days to Norway.

Mr Dodds: On the respect agenda, and further to the intervention by the hon. Member for Corby (Ms Bagshawe), there is a question not just about interfering with the date of the elections in the devolved regions, but about the changes to the boundaries in Northern Ireland. They will have a direct impact on the boundaries of Assembly constituencies, on which we were not consulted at all. This legislation has a direct impact on the Northern Ireland Assembly and its membership. It is not just a question of the date; the legislation has a direct impact on Northern Ireland, and for that reason there should have been consultation.

Mr MacNeil: The right hon. Gentleman makes a very good point for the north of Ireland.

Mr Dodds: Northern Ireland.

Mr MacNeil: Northern Ireland. I did notice that the right hon. Gentleman said the regions of the UK—

Mark Durkan (Foyle) (SDLP): You can say "north of Ireland" to me!

Mr MacNeil: I've got the north to my left; I've got Northern Ireland to my right. I'm stuck in the middle with you, Madam Deputy Speaker.

Mr Dodds: Will the hon. Gentleman give way?

Mr MacNeil: I am happy to give way, my goodness!

Mr Dodds: In my case, I have the law on my side.

Mr MacNeil *rose*—

Huw Irranca-Davies Will the hon. Gentleman give way?

Mr MacNeil: Moving swiftly on to Wales!

Huw Irranca-Davies: Well, not to Wales, but to a UK parliamentarian. Does the hon. Gentleman agree that the interesting intervention by the hon. Member for Corby (Ms Bagshawe), which was—I am not being patronising in any way—very well meaning, shows the difference in understanding on the part of those who are in the devolved nations and have a Parliament or an Assembly about how respect cuts both ways? Although we did not always get it right in government, we certainly tried as Ministers to ensure that there was full dialogue and consultation even if we disagreed with the issue. If this Government should learn one thing from this debacle, it is that from now on they need to consult the devolved institutions properly.

Mr MacNeil: I thank the hon. Gentleman for that intervention. He makes a very good point and leads me to reflect that perhaps I was a bit harsh on the hon. Lady. Perhaps there is simply a lack of understanding, rather than a lack of respect. If we think back, we find that yesterday was really—I think that I can safely use this term—"all-points Celtic". It was Cornwall. It was Wales. It was Northern Ireland?

Mr Dodds: Celtic?

Mr MacNeil: My "all-points Celtic" is checking out. It was also Scotland. It was a Celtic issue, and it hit across the nations and a region of the UK—he says, looking around him! However, there are very serious and important points here, and I hope that the Government will listen. At this late stage, it is not too late.

Kevin Brennan: It might not have been entirely inappropriate for the hon. Lady to intervene, because, as I recall from my visit to Corby as a young man, most of it was populated by Scots and Welsh people, who were there to set up the steelworks at the time.

On the date and the combination of polls, however, is it not also an own goal on behalf of the Government and, particularly, the Deputy Prime Minister? He is demotivating those electoral reformers among us who would have been prepared to go out alongside colleagues from other political parties to campaign for the alternative vote. We will now campaign with our parties to help our Welsh Assembly colleagues get elected, and not devote the energy that we otherwise would have done to the Deputy Prime Minister's cause?

Mr MacNeil: The hon. Gentleman is bang on. The Deputy Prime Minister, not content with having some opposition to his aspirations for a change in the voting system, has moved on to look for even more opponents to changes in the voting system, and he has succeeded in that end, because he has absolutely demotivated those people who will have greater priorities when the day comes in May. Their priority will not be the voting system for elections to the UK Parliament, and that is where the mistake lies.

Again, I ask the Minister to speak to his friends in the other place, because that might make quite a difference. Of course, there are those who might feel that there are elements within the governing coalition who are happy to see a demotivated support force for a change in the voting system. I will leave that question hanging.

Margaret Curran (Glasgow East) (Lab): I am very surprised by the technical amendments that the Government have introduced. I have previously brought to the House's attention the fact that, together with my hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson), I am currently still a Member of the Scottish Parliament. In the light of this debate, that is a very useful experience to bring to it. For eight of my 10 years in the Scottish Parliament, I was a Minister, and I introduced a considerable

amount of legislation. In my experience, if you had to table such a range of amendments, it meant one of two things: first, that something had gone very badly wrong with your legislation organisationally and it needed immediate rectification, perhaps at crisis level; or secondly, that you were wrong in the fundamentals and having to try to address that fact and clean up the mess.

Mr MacNeil: May I mischievously ask the hon. Lady if that ever happened to her?

Margaret Curran: At the risk of being incorrect on the record, I would like to think that, no, it did not happen to me, and that I was very clear about my legislation.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): May I also mischievously ask my hon. Friend whether, in her experience, it has happened to Ministers in the past three and a half years?

Margaret Curran: I would have to say that the current Administration do not quite have my record and that of my hon. Friend the Member for Kilmarnock and Loudoun, who was also a Minister.

It is deeply disappointing that the only way I see this Government engaging with Members of the Scottish Parliament on matters that fundamentally concern them is here in this Chamber. The only way that this Government and this House are going to understand the experience of the Scottish Parliament is by having MSPs in the Chamber. That is deeply disappointing and speaks to the respect agenda.

I am obliged to indicate to the House the widespread concern that exists throughout Scotland, across the political spectrum, about what this Government have done. I sincerely hope that we do not get the tired old argument that somehow we are suggesting that the Scottish people are not up to making two decisions at a time or understanding what is in front of them. That entirely misses the point and entirely misunderstands opinion in Scotland.

The core of this proposal, as seen across the political spectrum in Scotland, is that you are downplaying the significance of the Scottish Parliament elections. You are detracting from it, undermining it, and failing to appreciate how important it is. I would have to say that the Tories have a better record on this, but I will leave others to draw their own conclusions. It is fair to say that across Scotland we believe that you do not recognise the authority and status of the Scottish Parliament. That is what is at risk in these proposals and what is so worrying about them.

Worst of all is the fact that there was no consultation or engagement with Members of the Scottish Parliament or members of the body politic in Scotland. Indeed, I would go so far as to say that it has the hallmark of arrogance about it. You significantly altered the arrangements for the Scottish Parliament elections, significantly altered the context in which a debate will be held in which we discuss matters of great significance to the Scottish people, and did so without a word of reference to the institution itself. As my hon. Friend the Member for Rhondda (Chris Bryant) has pointed out many times, there are many means and mechanisms established to have proper discussions between Governments, and the fact that you neglected to use any of them speaks ill of—

Madam Deputy Speaker (Dawn Primarolo): Order. I am sorry to interrupt the hon. Lady in mid-flow, but she is not correct. She is addressing me in the Chair, not the Minister, so when she uses the word "you" she is accusing me as the Chair. I ask her to bear that in mind and address me directly. As far as I am aware, I have not done any of these things at all, as a Minister or anything else.

Margaret Curran: Thank you, Madam Deputy Speaker, for that correction. I had to be corrected several times in the Scottish Parliament for the same mistake, so I am clearly a very slow learner. I apologise.

Perhaps I could be so bold as to refer to the two Ministers on the Front Bench. One, I think, will remember what the last Tory Government did to Scotland; the other I am not too sure about. That Government imposed the poll tax on Scotland a year ahead of the rest of the UK. I can tell you that Scottish opinion was deeply offended, and we tried to tell the UK Government, "Don't do this to Scotland, because we think you're maltreating us." The rest of the UK seemed not to listen and dismissed that, and to this day Scottish people are offended by how the UK Government behaved. I am telling you, you are in danger of making the same mistake—*[Interruption.]* I tell the Minister that the Government are in danger of making the same mistake again.

5.45 pm

Mr MacNeil: The hon. Lady mentions the 1980s, the poll tax and Thatcherism. Would she not have preferred to have had an independent Scotland, and not had Margaret Thatcher and the poll tax?

Madam Deputy Speaker: Order. This is getting a little out of hand. Can we come back to the amendments? I am sure that is what the hon. Member for Glasgow East (Margaret Curran) is going to do.

Margaret Curran: I am indeed. I was simply drawing a parallel of the last Tory Government, which occurs to many Scots, between this Government's approach and the behaviour .

The Bill's provisions will cut across, and distract attention from, the very important Scottish Parliament election to be held next year. It is clear that they were produced in haste, with no consultation. There has been no persuasion in the Government's arguments, just assertion. They fly in the face of Scottish experience, learn nothing from the Gould report and take nothing from what has happened in previous Scottish Parliament elections. They bear all the hallmarks of a political fix. Rather than an attempt to deliver genuine democratic progress, they are a mess, and they should be opposed.

Mark Durkan: Amendment 18 provides for the combination of three polls—the referendum, the Northern Ireland Assembly election and the Northern Ireland local elections. It will replace clause 4(4), and it provides that the polls are to be taken together on 5 May. The subsection that it replaces states:

"Where the date of the poll for"

[Mark Durkan]

Assembly or Northern Ireland local elections

"is the same as the date of the poll for the referendum, the polls are to be taken together".

That would provide for the possibility that the Assembly or local elections might not be on the same day.

Clause 4(4) also allows sections 31 or 32 of the Northern Ireland Act 1998 to apply. Under section 31, even though the due date for the election would be the first Thursday in May 2011, in other words 5 May, it could take place two months either side of that. Section 32 provides for a situation in which there was something of a collapse of the Assembly, with the First or Deputy First Minister resigning and not being replaced. I do not want to speculate on that as a possibility, but it is not an absolute political impossibility. In that instance, it would fall to the Secretary of State for Northern Ireland to name another date, which would not have to be within two months either way.

It seems to me that amendment 18 flies in the face of that, because it will legislate for the three polls to be on the one day regardless. I wonder whether the Government are creating unnecessary tension with existing legislation, because the amendment removes the possibility left open in the Bill. I would appreciate the Minister addressing that point.

Amendments 158 to 179 to schedule 8, all relate to Northern Ireland. Amendment 162 states:

"The Chief Electoral Officer may not decide that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together unless the Chief Counting Officer agrees."

The office of the chief electoral officer in Northern Ireland is a useful and important one. It normally falls to that officer to arrange Assembly elections, local elections, and—under the guidance and control of statute—any combination arrangements for such polls. Amendment 162 opens up the possibility of the chief electoral officer having the issue and receipt of the ballot papers for all three polls together. However, if for some reason the UK chief counting officer does not agree with that, it does not happen. We seek assurances on the effect of that on the two polls that are in the purview of the chief electoral officer, and that it will not mean that the chief electoral officer is somehow prohibited from going ahead with bespoke combination arrangements for the two Northern Ireland elections.

Mr Dodds: Will the hon. Gentleman confirm that he is arguing that Government amendment 18 in some way supersedes the ability of the Northern Ireland Assembly to move the election within a period of two months if they so wished? My understanding is that the amendment does not do that, but simply says that, if the referendum and the election were to be held on that date, they would be taken together. The hon. Gentleman seems to be arguing something different.

Mark Durkan: I raise this because if one compares clause 4(4) with the text of amendment 18, it does seem to make a change. The text in the Bill allows for the possibility that is provided for in sections 31 and 32 of the Northern Ireland Act 1998. The amendment presumes and requires that the referendum and election happen together. There could be tension there, so I have asked the Minister to clarify or explain that. I am just puzzled by the wording. When one sees such variance in the words, one has to ask whether it is inadvertent or whether there is an intention behind it.

Amendment 162 raises the possibility of the UK chief counting officer disagreeing with the chief electoral officer for Northern Ireland in respect of the arrangements for combining the issue and receipt of postal ballots. Hon. Members might say that that is unlikely to happen. If that is the case, why is the amendment legislating for such a possibility and what are the implications for the conduct of the other elections and the issue of the postal ballot? Again, I seek clarification from the Minister. In a UK-wide referendum on the voting system, representations could be made to the chief counting officer through the Electoral Commission and so on. There could be legal challenges and threats of legal challenges from a well-resourced campaign that wants to disrupt or create confusion during the election. The chief counting officer might be minded to say that the referendum postal ballot papers have to be handled separately, or some other pressure could cause disagreement. It could be that the chief electoral officer for Northern Ireland does not get agreement from the chief counting officer. In such cases, what is the price of that possibility and how will it impact on the arrangements not just for the referendum postal ballot papers but for the issue and receipt of the postal ballot papers for the local elections and the Assembly?

Finally, amendment 177, to which the hon. Member for Rhondda (Chris Bryant) referred, is a big amendment. Proposed new paragraph 44(2) to schedule 8 states:

"The spoilt postal ballot paper may not be replaced unless all the postal ballot papers issued to the person are returned."

If we are providing for that in law, is it clearly stated in form 2—the form that is to apply in relation to a declaration of identity? The form provides advice on what to do in the case of a spoiled ballot, but it does not clearly state that one cannot return and have a spoiled ballot replaced unless all three forms are returned. There is confusion, so we need to see whether the effect of this amendment is properly covered, addressed and clearly expressed in the information that will be given to voters. It might be that voters reading the form as it is in the Bill will believe that they can have the referendum ballot paper replaced separately. If the Government are to go ahead with this amendment, they will have to make further amendments to the forms that are already in the Bill, or to the amended forms that they have provided for in this group of amendments.

Geraint Davies: As a member of the Welsh Affairs Committee, which has taken a considerable amount of evidence on this subject, I feel that I can talk about the potential confusion that surrounds the combination of polls that we face. The House may be interested in the testimony of Philip Johnson, the chair of the Welsh branch of the Association of Electoral Administrators. He said:

"The capacity for confusion is immense."

He said that 2015, when there will be the combination of polls, could be horrendous. He is not talking about voter confusion over policy issues, which will, I think, be a significant problem for our democracy.

In Wales, where we have a Labour Government, various proposals will be made to carry on, revive and enliven the policies in Wales. Alongside that, Labour will put forward a different set of proposals on focus and investment to take to the UK Parliament. Therefore,

there will be quite different proposals from the same party for different elections on the same day. What is more, there may be varying views on alternative voting. Furthermore, we will have different constituencies for the Assembly and for the UK parliamentary election. For example, I might be standing as the candidate for Swansea West and, at the same time, voters could be asked to vote Labour for the Assembly Member for Swansea Central. Obviously, that could be confusing to voters. We could have one party making different proposals in the same area.

Mrs Eleanor Laing (Epping Forest) (Con): The hon. Gentleman is absolutely right, which is why we should not have the referendum on the same date as other elections. I say that not because the electorate are not intelligent enough to understand that there are different questions being asked of them, but because the system itself is intrinsically and intentionally confusing.

Geraint Davies: I certainly agree with the hon. Lady. What I have just said is a prelude to what I was going to say about the inherent administrative confusion over the combination of the polls. I only added the issue about confusion in voters' minds over the policy, where they live and who represents them because the same party will be saying different things to them.

To start with, therefore, people will go into polling stations feeling a bit confused because of that complexity, but there is a further problem. Normally, there will be different turnouts for different elections—traditionally, the UK election turnout is higher than the Assembly election turnout, and it can be expected to be higher than that for the AV referendum. People will go into polling stations without necessarily wanting to vote in all three polls, and without a settled position on them.

Jonathan Evans (Cardiff North) (Con):The hon. Gentleman will know that Wales has held European Parliament elections on the same day as Assembly elections. He should surely not overdo his point, because on those occasions, people were able to make a choice. It could be argued that the turnout for one election had a positive impact on the turnout for the other.

6 pm

Geraint Davies: Having more than one poll on the same day is not without precedent. My point is that putting yet more questions in more elections on the same day adds complexity, which can lead to confusion and administrative problems.

Mr MacNeil: May I suggest to the hon. Gentleman that the real problem that we fear is what happened in the UK general election? The media tried to turn that into a presidential election. They skew what happens on the day by concentrating on one event and missing what is the main event to people who live in Scotland, Wales or Northern Ireland. That is my concern, and I think it is shared on both sides of the House.

Geraint Davies: The hon. Gentleman is right and what he says is fair. Inevitably, the media will focus on the UK election and, to a certain extent, the AV referendum. In Wales or Scotland, there are points of difference between different parties on health and education and so on, but they will be overwhelmed by the background noise of the media, which will focus on health and education in England.

As the Conservative position on health develops, they might take out the strategic centre of the NHS in favour of a more atomised view. That is in complete contrast with the more traditional NHS model in Wales. However, the media will talk about the prospective changes to England's NHS rather than what happens on the ground in Welsh hospitals. People's understanding of how their hospital works could be quite different from what is actually happening, and they might vote on a false pretext. The power of the media talking about the UK will overwhelm knowledge of what is actually being delivered in local schools and hospitals, particularly among those who do not use such services.

Mr David: My hon. Friend referred to the excellent report by the Welsh Affairs Committee. Does he agree that the Committee summed things up very well? The report states that

"our concerns are not, first and foremost, about the principles at stake in each of these consultations with the nation. They are about the wisdom and fairness of cramming so much debate and decision into so short a space of time".

That is the key message. We cannot have proper debates on electoral systems or elections if we cram them together on the same day. It is a question of democracy.

Geraint Davies: My hon. Friend is completely right obviously, I am privileged to serve on that Committee.

There is a traditional comprehensive schooling system in Wales, but the situation in England has become different from that over the years, both under this Administration and the previous one. The choices faced by Welsh and English voters are therefore different, but again, they will be slightly confused.

Ms Bagshawe: Surely that is to underestimate the sophistication of the Welsh electorate. We have seen that voters in the United States are capable of engaging in multiple elections from multiple positions at state and presidential level, and that at one and the same time, they participate in ballot initiatives and referendums. US voters take a multiplicity of decisions with no discernible effect on their democracy.

Geraint Davies: I appreciate that the electorate is sophisticated and that it is possible to have more than one poll at a time. I am simply saying that given the respect agenda for devolution, there should be space for rational discussion of the choices facing Wales, Scotland or Northern Ireland without that being overwhelmed by the media noise from the UK, which will impose a template that is different from what happens in the devolved countries. That is confusing.

The testimony to the Welsh Affairs Committee on potential confusion regarding the mechanics of the polls is very persuasive. I said that voters could be confused by issues—some voters are not quite as in tune as the hon. Lady—but many will not.

John Mann (Bassetlaw) (Lab): Of course, in the US, elections are so complex that they have the concept of punching the ticket. A voter can simply say, "I'm a Democrat," and vote for all Democrats in one go.

However, my hon. Friend's question on complexity and confusion could also apply to England, because there will be different types of elections using different

[John Mann]

voting systems on the same day. Regardless of the principles of voting systems and the big decisions made on them, does he agree that the key democratic principle is that Parliament takes its time and comes up with something that is coherent overall, rather than rushing through a dog's breakfast of a series of Bills that is inherently incoherent and divisive?

Geraint Davies: My hon. Friend is completely right on the Government's policy, but there will also be a problem with the situation on the ground. For example, the chair of the Association of Electoral Administrators said that

"there is...capacity for the polling station staff to be confused as to which ballot paper should go to which elector."

Why is that? The chair told the Committee that in Newport, there were 1,000 European voters, who were not eligible for all of the ballots. In some ballots, some people had postal votes, but in others they did not. Someone would come to the polling station and say, "I want my vote," but they had already been sent a postal vote.

In Wales, for proportionality, we vote for a list for the Assembly, but we also vote for a local Assembly Member. In addition, we might vote for a UK MP and in the AV referendum. The aggregate turnout will therefore be much higher. People may say, "That's great. That's good for democracy," but if all those people turn up at a facility that is expecting fewer of them, and if the arrangements are as complex as I described, there will be more queuing. People will have to find different boxes of different colours and all the rest of it, so there is quite a lot of scope for major confusion that could undermine the democratic process that we all love.

Mr Mark Williams (Ceredigion) (LD): May I return the hon. Gentleman to what he said about the confusion on issues? There is a respect issue in relation to holding the AV referendum on the same day as the Assembly elections. However, on holding a UK Parliament election and an Assembly election on the same day, I am sure that he, like me, has received many letters on things such as the Academies Act 2010. Because of the power of the media, many in Wales were genuinely concerned about the implications of that legislation, but of course, it has no bearing whatever on Wales. That power cannot be understated in terms of holding the AV referendum and the election on the same day.

Geraint Davies: I assume that the hon. Gentleman is saying that the elections should not be on the same day. Is that right?

Mr Williams *indicated assent.*

Geraint Davies: I am glad the hon. Gentleman believes that, because he is completely right. People are very influenced by the media—that is how they get information—but there is a lot of confusion. When Labour was in power in the UK Parliament, certain innovations in Wales were not carried out in England and vice versa. There was a slightly different policy on prescriptions, for instance. People would wonder, "What am I voting for? It says here that I'm voting for this, but the competition says that Labour is doing something different," but they would be comparing literature for different elections. If people are unclear what is being said by different parties, they will be unable to make a rational decision or to say, "I will vote for this party because I prefer its proposals to those of other parties." That undermines democracy itself.

Mr Williams: The capacity of the Welsh media to respond has been severely hampered, whether we look at the position of Sianel Pedwar Cymru or the loss of pluralism—*[Interruption.]* It is S4C, the Welsh language media—

Mr Deputy Speaker (Mr Nigel Evans): Order. A Member who is making an intervention cannot take an intervention.

Mr Williams: I apologise, Mr Deputy Speaker.

My point is that the Welsh media are in a parlous state, so we cannot take for granted their capacity to respond to the UK media at election time.

Geraint Davies: If we had the traditional Sky debate, with the three leaders—or two leaders, now—and ignoring the nationalists, during Assembly elections, they would be even more annoyed, and they would have reason to be so. Indeed, they might even intervene.

Huw Irranca-Davies: Does my hon. Friend agree that this is not a question of underestimating the capacity of the electorate to make well-informed decisions on myriad voting papers and through different voting methods on any particular date? It is actually a question of overestimating the capacity of party workers to elucidate two or three different arguments at one time on the doorstep. This will lead to a dumbing down of the message from us to the electorate—

Mr David Davis (Haltemprice and Howden) (Con): Is that possible?

Huw Irranca-Davies: It could happen, unless Ministers have some secret plan and a network of workers who can explain two or three different messages on the doorstep. I do not have such an army of people.

Geraint Davies: The difficulty that we all have, as elected Members, is inspiring people who understand the issues to come out and vote one way or another. If there is general confusion, it will not engender confidence in the whole system.

Mr David: Like my hon. Friend, I do not underestimate the ability of the electorate to understand the complexities before them, but does he agree that it may be difficult to explain to people why they are voting on AV—which is not proportional representation but a version of first past the post—at the same time as they are voting in the Assembly elections with two votes, one for first past the post and the other in a proportional system in which votes will be allocated using a top-up list and the d'Hondt system?

Geraint Davies: It will be very complicated to explain to people in Wales why, when they already have a proportional representation system that is fair, they should opt for the alternative vote, which is not fair. The people in favour of AV will argue—although I do not agree—"Well, AV is better than first past the post. It

may not be as good as what you already have in Wales, but we still want you to vote for it. By the way, we also want to talk about parking in hospitals". People might also want to talk about the fact that Sky Television does not allow the nationalists to speak—although as I am being sponsored by Sky, I will not mention that. That was a joke.

Mr MacNeil: I come from the west of Skye, but that is another story.

Valid points have been made by hon. Members on both sides, but we should bear in mind—if we want a participative democracy—the attention span of voters, who will give only so much of their time to the message from politicians, whether it is dumbed down or quite complicated. They might do the American thing, where they slam down 140 ballots—or however many they are doing on one day—and vote the same way on a slate. We do not want that because, for example, Labour's plans, and the big holes in its spending, should be scrutinised hard in the coming election.

Geraint Davies: I am certainly grateful that we will have a lot of scrutiny in Scotland. I agree that there is scope for confusion even though, as many hon. Members said, we cannot underestimate the sophistication of the electorate. However, one in five people in Britain are functionally illiterate and find it difficult to fill in forms. If they face four or more ballot papers, and a multiplicity of different questions in different areas and zones, it will be confusing. If we want to increase rather than decrease participation—and for people to vote how they intended to vote, and not vote the wrong way—we should make it easy for them by having a coherent system, with the choices being sequential rather than coincident.

6.15 pm

On the basis of the testimony given to the Select Committee about the immense capacity for confusion and the horrendous administrative challenges, it is likely that several court cases will arise, especially where a small margin of votes decides the outcome. I once lost a seat by 75 votes, having received 20,000. If there are lots of ballot papers that appear to have been put into the wrong box and apparent incoherence in the way in which people voted, with spoilt ballot papers and postal votes, people will say, "Hold on, we need to take this to court." Other people will say, "We went to this ballot place, but they have changed the boundaries." So many changes are being made at the same time that we are asking for problems.

These proposals are a backward step for democracy. I appreciate the arguments for equal numbers in constituencies, but what people really want is effective democracy that works. They need to understand what they have voted for and they need to get what they voted for—if most people agreed. They want lines of accountability, so that they can talk to their Assembly Member about health and their Member of Parliament about benefits, for example. They do not want to be told, "Oh, we have changed the boundaries and they are no longer coterminous, so you can't do that." People do not want workers to knock on their door and say, "We want you to vote in this Assembly election and, by the way, there's also a UK election, and these are the issues—and don't forget the AV vote."

We have had the comprehensive spending review, and in Wales some cuts will be imposed directly on non-devolved matters, such as the DVLA in Swansea, but some cuts will go through the Welsh Assembly as part of its grant, and it will have to make tough choices. People may be confused about who is doing what and what responsibility different people have for those choices. That undermines the democratic tapestry that we have set out through devolution to bring democracy closer to people, so that local decisions are made more closely to local people. If everything is scrambled up into a confusion overlaid by the mass media that want to get simple points across about the UK situation, thus crowding out more localised concerns, our democracy will be the worse for it. If the administration of the vote is in a state of collapse, things will be even worse.

Mark Tami (Alyn and Deeside) (Lab): Can my hon. Friend foresee a situation in which two Labour supporters were campaigning for an Assembly candidate and a voter asked, "What do you think about AV?", and they had totally different viewpoints. They might get into an argument, which would help no one—*[Interruption.]* My hon. Friend the Member for Rhondda (Chris Bryant) obviously thinks that that is highly unlikely to happen.

Geraint Davies: I wish that we had enough party workers for that to happen. However, theoretically, the people campaigning in elections in an area may not agree on AV. In my city, we have several MPs, and it is possible that one of them—say, me—might not agree with AV, but another Labour MP might agree with it. If it was reported that Labour was in favour of AV, I would say that I was not in favour of it. All those problems will be superimposed on the Assembly and parliamentary votes, alongside shifted boundaries and some people losing their postal votes, leading to mass confusion and excessive cost.

Huw Irranca-Davies: Moving from policy, the mechanics of the proposal and the possible conjunction of elections, we have all been in the homes of elderly people who perhaps have difficulties filling in forms. We have rightly tightened the rules on the ability of politicians such as me to influence those decisions in any way, although we can try to help with guidance. On that basis, does my hon. Friend share my worry that, one way or the other, we could see a lot more spoilt ballot papers in those elections? If so, has he heard anything in any of these discussions about an increase in resources for electoral registration officers?

Geraint Davies: I certainly agree that it is very likely that the number of spoilt ballot papers will increase. We all know that some spoilt ballot papers—a very small proportion—are intentionally spoilt. People write a load of rubbish, which is clearly intentional. However, with the extra complexity, my judgment is that people will think that they have voted one way, but then change their minds and cross something out. Obviously the returning officer will say, "Well, that's not a valid vote," but if there are large numbers of such votes in those polls, which might have large or small turnouts—these are difficult things to judge—that will be unfortunate.

I have a concern, in that people have talked about the electorate as if they were a homogenous group, but in certain areas there will be less educational opportunity,

[Geraint Davies]

inter-generational poverty and a lack of capability to fill in lots of forms, along with under-registration. When those factors are overlaid, it shows a built-in institutionalised discrimination against people who may be poorer or may have had fewer educational opportunities, and who may therefore be more likely either not to participate or to end up spoiling their ballot papers, and democracy would be the poorer for it.

I am sure that the Minister will respond to the point about the financial facilities made available to cope with the extra administration. Clearly there will be an enormous burden on local authorities. I know that the Boundary Commission for Wales has been given £1.9 million for redrawing the boundaries, as opposed to administering the election. Let us remember that only 3 million people live in Wales, yet an extra £1.9 million has been given for starters. When we aggregate that, adding the legal costs and so on, the sum involved will be enormous. Some of these proposals were sold to the media in the name of addressing all these costly MPs buying duck houses, or whatever they are supposed to have done, but the reality is that the cost of change will completely dwarf the savings on MPs. It is completely ridiculous. We are spending millions and millions of pounds setting up administrative complexity. Effective democracy will fall on its face, leading to legal challenges and a fall in confidence in the system, all of which is being railroaded through by a party that does not seem to care.

John Mann: My hon. Friend mentions the cost and expense of MPs. With an independent body setting MPs' salaries, has he considered the certainty that if the Bill proceeds into law, it will inevitably increase the salary of MPs? The argument will be put—and doubtless accepted—that there is more work per MP, and that there should therefore be a certain rate for the job. Therefore, this Bill will not cut pay; it will in fact increase the pay of MPs.

Mr Deputy Speaker: Order. We are now clearly straying from the amendments before us.

Geraint Davies: I am grateful for your guidance, Mr Deputy Speaker. What we are talking about is the combination of polls and the confusion that this could cause. My hon. Friend the Member for Ogmore (Huw Irranca-Davies) suggested in his intervention that combining the polls should require extra money. I completely agree with that, and was simply making the point that the Boundary Commission for Wales has already been given £1.9 million just for redrawing the boundaries, let alone for carrying out the work on the political machinery, which will be enormous. My hon. Friend the Member for Bassetlaw (John Mann) has simply made the point that those enormous costs will dwarf any prospective saving and that, in fact, there will probably be no saving at all.

I will bring my comments to a close. [Hon. Members: "More!"] Hon. Members should not encourage me, because I might end up reading the whole of the Welsh Affairs Committee report.

Mr Deputy Speaker: Not a chance.

Geraint Davies: I know that you have read the report a number of times already for your bedtime reading, Mr Deputy Speaker, and I do not want you to fall asleep again.

In conclusion, a combination of polls will be expensive and confusing, and will undermine democracy and lead to legal challenge. The Bill does not factor in the problems of having postal votes for some votes and not for others, the different systems superimposed on the same day, and the fact that the media might dwell on one election rather than another, thereby undermining the ability of local parties to send discrete messages to discrete audiences. It is a sad day for democracy.

Kevin Brennan: I will attempt to be reasonably concise. It is worth returning to the amendments, which are about the combination of polls, and reminding ourselves—and the literally dozens of people who I am sure are still watching on the BBC Parliament channel, after our deliberations so far—why we are discussing combining the referendum in the Bill with the Welsh Assembly, Northern Ireland Assembly, Scottish Parliament and local government elections.

The only reason we are doing that is down to one man, who has been completely invisible during our deliberations, namely the Deputy Prime Minister. The only reason we are discussing this issue is that the Deputy Prime Minister is convinced that his best chance of winning the referendum on the introduction of the alternative vote will be if it takes place on the same day as the elections to the devolved Assemblies and the local government elections. As the amendments in the group show, this is not a matter of finance, although that argument is sometimes put forward. It is nothing to do with that; rather, it is entirely to do with a belief that the alternative vote is more likely to be supported in a referendum if it is held on the same day as those other elections.

In that sense, this is one of the most surreal debates in which I have ever participated in the House of Commons, because the Deputy Prime Minister will not come here himself to make that point. Instead he sends along the Parliamentary Secretary, the hon. Member for Forest of Dean (Mr Harper), who comes along to make the case, even though he does not himself believe that the alternative vote should be passed into law. In fact, this is the second time in one day that he has had to come forward to promote Liberal Democrat policy in the House. After the duffing up that he got in the Tea Room after the first time, I hope that he is a bit safer now.

Mr Deputy Speaker: Order. We are talking about the combination of polls, not the Deputy Prime Minister. I would be grateful if the hon. Gentleman now directed himself to the amendments before us.

Kevin Brennan: Of course, Mr Deputy Speaker. The point that I was making was that the very reason for the amendments that are before us, about the combination of polls, is to do with the beliefs of one person, who has put up the Minister, as it were, to come along and defend those amendments.

A lot has been made of the potential confusion that could arise. I take the point made by the hon. Member for Corby (Ms Bagshawe), whom I commend for taking a lot of interest in these proceedings. I take her point about American elections; in fact, my wife is an American

citizen and still votes in American elections. We get the very lengthy ballot papers that people receive through the post in California, and which do indeed combine polls on many different issues on one day. I am less disturbed by my constituents' ability to distinguish between different issues on the same day than I am by the contempt that the Government have shown. I am disturbed by the contempt shown for the devolved Administrations by he who must not be named—I am not going to mention his name again, for fear of upsetting you, Mr Deputy Speaker—when, although he represents a party that claims to be a party of devolution, he completely ignores the wishes of the devolved Administrations in Wales, Scotland and Northern Ireland.

6.30 pm

Mark Lazarowicz: Like my hon. Friend, I think my constituents will be able to cope with the technical difficulties of dealing with two or three ballot papers on the same day. The problem is not confusion on the part of electors, but that the focus of political debate in Scotland, Wales and Northern Ireland will inevitably be on what will be general elections in those countries. That is what will distort the reality, not the two votes on the same day. Newspapers and the media will focus on the general elections, not on the alternative vote referendums, so that matter will not receive the sort of scrutiny that it should.

Kevin Brennan: My hon. Friend is entirely right, and that point has been clearly made during the debate. We know that that is the reality. Debates on national elections in Scotland and Wales, and elections in Northern Ireland, will be swamped in the general UK media by discussion about the referendum on the alternative vote.

The hon. Member for Corby was right constitutionally and technically to say that such matters, with the exception of a couple, are reserved. First, the UK Government have generally agreed through their various protocols with the devolved Administrations to consult on matters directly affecting them, and protocols exist in the civil service to enable those consultations to take place, but they are being abandoned because of the desire of he who shall not be named to meet the deadline to enable the measure to be rushed through.

Ms Bagshawe: Will the hon. Gentleman give way?

Kevin Brennan: I will give way in a moment, but first I want to make my second point, about why I think the hon. Lady is wrong. One of the first actions by her leader, when he became Prime Minister—many of us thought it was commendable at the time—was to visit the devolved Administrations and to make it clear that the interaction between the UK Government and those devolved Administrations would be based on respect. In this instance, the Government have fallen far short of the Prime Minister's aim and his promise at that time.

Ms Bagshawe: I thank the hon. Gentleman for his generous comments earlier. It is regrettable that the catchphrase—the respect agenda—about which we hear so much from Opposition Members, does not seem to work two ways. The matter is a devolved one for the United Kingdom Government, and Opposition Members have failed to realise how strongly voters in England feel about the democratic deficit to which they are subjected, which the Bill aims to remedy.

Kevin Brennan: We have found out what respect means to the hon. Lady. For me it means having mutual respect, and when the previous Administration offered devolved government to people in England, they turned it down. It is a matter of respect that if people in England do not want devolved government, that is a matter for them. My point is that the Prime Minister took the trouble to visit the capitals of Wales and Scotland, as well as Belfast, to talk to the devolved Administrations. He promised a relationship of respect, despite the fact that the Conservative party was originally vehemently opposed to devolution, and said that things had changed and the relationship was new. However, because of the needs of he who shall not be named, the Government had to abandon that respect agenda and provide for the combination of polls.

Mark Durkan: I thank my hon. Friend for emphasising the principles of the respect agenda concerning the devolved Administrations, but it should also apply to this Chamber. Is it not odd to have a Deputy Prime Minister who relies on deputies to appear in the Chamber more than he does?

Kevin Brennan: I fear that I will test your patience, Mr Deputy Speaker, if I make a further reference to he who shall not be named, but clearly my hon. Friend is absolutely correct. My point, Mr Deputy Prime Minister—I mean Mr Deputy Speaker; that was a Freudian slip, and he shall be named after all. My point, Mr Deputy Speaker, is that many Labour Members are favourably inclined towards electoral reform, but others are not. Many of us would have looked forward to the opportunity—it was in our manifesto—of putting the question to the British people and allowing them to decide in a clean, clear referendum for which that was the sole focus of the discussion. That could easily have happened, and that is exactly what should have happened.

As that did not happen, many of us who are favourably inclined towards electoral reform are severely demotivated in terms of putting our weight behind what seems to be a venture with no respect for those of us who might support that agenda. That may suit many hon. Members on both sides of the House who do not agree with electoral reform, but I think it is a terrible shame, because we will all devote our energy to the important national elections in the devolved Administrations, and the referendum will be ignored during those elections. I shall vote in favour of the alternative vote in the referendum, but I fear that it will be lost. Boy, won't that be awkward for he who must not be named!

Ian Mearns (Gateshead) (Lab): I want to speak about the complexity, confusion and unfairness that have so often been referred to in this debate, and that comes from the perspective of having suffered the ignominy of a proposition for regional government for the north-east of England, which I vehemently supported, being lost in a referendum, almost six years ago to the day. Part of the reason for that, although not the only one by any stretch of the imagination, was the fact that the question of regional government for the north-east of England was combined on the same ballot paper with a question about what form of unitary local government was wanted.

Although 70% of electors in the north-east of England were not subject to any change in local authority, the then Office of the Deputy Prime Minister sent out a

[Ian Mearns]

six-page supplement to every voter in the region, four pages of which were about local government reorganisation. Many of my constituents rang me asking whether the proposal would mean the end of Gateshead council. It had no impact on Gateshead council, other councils in Tyne and Wear, or councils in Teesside, but the six-page document had four pages about local government reform, and of course the whole concept of regional government for England was lost at that stage.

When addressing the issue of complexity, confusion and fairness, we must look at the coalition Government's stance. They have repeatedly told us that their actions in passing legislation and making ministerial judgments must pass the acid test of fairness. So is the proposed measure fair or is it not? In fact, the junior coalition partners have almost made it their mantra that they will support their senior coalition partners as long as measures are seen to be fair. The Bill clearly fails that test in many ways, yet the "fairness party", as the Liberal Democrats see themselves, is still voting in the Lobby to support it—with a handful of notable exceptions on some clauses and amendments. Citizens' capacity to vote in a referendum is vital, and part of the unfairness to which I refer is the fact that the arbitrary nature of the Government's proposal disregards the geography and natural togetherness of local communities. I envisage that virtually every constituency in the country will be subject to change—with the exception, of course, of the two constituencies exempted because of their peripheral geography, and because they encompass so many islands.

It is difficult to fathom a scenario in which, in order to meet the twin criteria of ending up with exactly 600 constituencies that must all comprise exactly 76,000 electors, plus or minus 5%, there will be knock-on effects across county boundaries and even regional boundaries—

Mr Harper: You're in the wrong part of the Bill.

Ian Mearns: I'm getting there.

It is no wonder that—

Mr Deputy Speaker (Mr Nigel Evans): Order. I am also a little concerned that the hon. Gentleman is going wide of the subject of the combination of polls. Perhaps he could stick to the confusion that he spoke about earlier. This sounds a bit like a speech for a Third Reading debate.

Ian Mearns: Mr Deputy Speaker, the unfairness to which I want to address my remarks mainly relates to town and city dwellers. I am not for one moment implying that the people whom I speak of do not exist in the countryside; they do, of course, but not in anywhere near the same kind of numbers as in our towns and cities. The calculations that the Government have made in drawing up their criteria totally disregard the 3.5 million people who are not registered to vote or to take part in the referendum—

Mr Deputy Speaker: Order. Yet again, I think that the hon. Gentleman has not really paid due attention to the amendments before him. He is entering into a much wider debate. I ask him to look again at the subject of the combination of polls, please.

Ian Mearns: Not only will those people be unable to vote in the elections; they will also be unable to vote in the referendum on our voting system. There are many reasons why people will be unable to enfranchise themselves, and it is important to have regard for such people. Some might be in debt and trying to escape from their creditors. Others might be trying to avoid violent loan sharks. They will not be enfranchised to take part in a referendum because they are trying to escape from the people who are pursuing them. Some might be victims of domestic violence hiding from violent former partners—

Mr Deputy Speaker: Order. Perhaps the hon. Gentleman can help me a little. Which amendment is he speaking to?

Ian Mearns: Mr Deputy Speaker, I am happy to return to this matter on Third Reading, but there are some important points about the Bill that need to be made.

Mr Harper: I did not detect any focus on the amendments in the last few speeches, so I shall not address the points that were made in them. I shall focus instead on those Members who troubled themselves to speak to the amendments and raised sensible points, as did the hon. Member for Rhondda (Chris Bryant). He and others mentioned that the orders relate to the elections and not to the referendum. The conduct of the elections is not devolved, as my hon. Friend the Member for Corby (Ms Bagshawe) said. The hon. Gentleman will know that, under the Calman proposals, we propose to move the administration of those elections to the Scottish Parliament.

The orders that the hon. Gentleman mentioned are not amendable, and I hope that the House will support them. If it does not, I have already said that we will revert to the original provisions in the Bill, which have been debated and voted on by the House. Either way, the House of Commons will have had the opportunity to consider both scenarios—without the new orders and with them—and to pronounce on them. I am therefore confident that the House and the other place will have taken those decisions, whatever they might be.

Chris Bryant: When the hon. Gentleman says that the Government would revert to the previous provisions, I presume he means that he would table amendments in the House of Lords, because he would not be able to table them here. In that case, he would not have met his own criterion that matters relating to the elections would be decided on here.

Mr Harper: No, not at all. If Parliament did not adopt the orders, we would indeed have to table the amendments in the House of Lords, but in so doing, we would simply be bringing the Bill back to the stage that it is at with the amendments that have already been debated and voted on by this House. Either way, it would be this House that had effectively decided on the machinery for our electoral arrangements. I hope that I have set that out clearly, even though I know that the hon. Gentleman does not agree with it.

I listened carefully to the speech by the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), who is no longer in his place, or, indeed, any other place—[HON. MEMBERS: "He must be somewhere!"] Well, he is not in the Chamber. He must be somewhere, but he is not here. He talked about the respect agenda, and he and others

talked about holding elections and referendums on the same day. We have had this debate before, Mr Deputy Speaker, so I will not try your patience.

The hon. Gentleman made some sensible points on the coincidence of elections, notably of a UK general election and devolved elections. He knows that that matter has been highlighted—although not actually put in place—by the Fixed-term Parliaments Bill, and we have already said that we are thinking about possible solutions. When the Government have settled on a position, we will consult parties in each of the devolved nations—not the devolved Administrations, because they only represent one or more parties—to come up with a solution. That relates to the coincidence of elections; the Government do not think that the combination of a referendum and elections will have the same qualitative impact.

Tom Greatrex: Surely the solution is to have four-year fixed-term Parliaments. The UK and Scottish parliamentary elections would then never happen on the same date.

Mr Harper: I will not dwell on that point at length, because you would rule me out of order, Mr Deputy Speaker. Briefly, however, I will say that it would be possible, if there were an early UK general election or if the devolved Administrations' cycles changed, to have four-year terms for both Administrations. That could result in coincidence on every occasion, rather than just once every 20 years. I will not pursue that, however, as it relates to a different piece of legislation, which the House will have the chance to debate in due course.

Chris Bryant: I know that the Minister will not want to dwell on this point either, but he was talking about process, and about the amendments that he might or might not have to table. If the Government change the law on prisoners' voting, they will have to do so in primary legislation. Will the Minister make it clear that he would not do that by tabling amendments to this Bill in the House of Lords?

Mr Harper: The hon. Gentleman is getting ahead of himself a little. I made it clear in the statement that the Government had not yet made any decisions on how to implement that judgment. We have made it quite clear on a number of other issues relating to this Bill that it is about the referendum. Indeed, we have resisted amendments in which people have tried to make changes that would have a wider policy impact and that should be made elsewhere. For example, we had a debate on the appropriate age at which people should be able to vote. There was a general view on the Government Benches, even among those who support that provision for elections in general, that this Bill was not the right place in which to make those arrangements. I think that I can give the hon. Gentleman the assurance that he seeks.

The hon. Gentleman asked why the form for the postal voting statement to be used for Scottish Parliament elections in which the issue and receipt of postal ballot papers was not combined had been changed. The Scotland Office has updated the form in the 2010 order, and we have followed that in the Bill for the purposes of the Scottish Parliament elections next May.

The hon. Gentleman and the hon. Member for Foyle (Mark Durkan) asked why, in Northern Ireland, all postal ballot papers had to be returned if one was spoiled. In cases of a combined poll, there will be a pack containing all the ballot papers, and another pack would have to be issued in such circumstances. Someone could end up with multiple ballot papers for the same election, if the first set were not returned. That is also the long-standing practice in England, Wales and Scotland. I shall come to the hon. Member for Foyle's other points in a second, and he can come back to me if he does not think that that answer is appropriate.

The hon. Member for Rhondda also asked why proposed new paragraph 42 in amendment 177 referred to the words before "the colour" being omitted. The words are being omitted when the poll at one election is taken with the poll at another election. The reason that we have omitted them is because, if the elections happen on 5 May, we know that there will be combinations and that the words will be redundant. He also asked why amendment 78 changed the wording in line 3 of page 266. It is a consequential minor change—consequential to the drafting change made to the order governing the Scottish Parliament elections—and it is not intended to have any practical effect.

I was asked about amendment 78 and the changes to provisions on abandonment of poll in the Scottish parliamentary elections. Again, this follows changes to the 2010 order, which separates out for the first time provisions dealing with the death of a candidate in a regional election from those dealing with the death of a candidate in a constituency election. This means we have to amend the provision, making it clear how the abandonment of either poll would affect the referendum. The policy remains that the referendum poll would continue.

Chris Bryant: Does that meet the requirements of the later amendment that deals with the equality of votes where a candidate has died?

Mr Harper: They are about different things; they are not linked. *[Interruption.]* No, the later amendment is about how the AV rules would work, whereas this one is about the working of the elections taking place next year. They are separate issues.

I was also asked about the use of black ink on the postal voting statement. Because it is for the postal voting statement, it is not relevant to the forms used in the polling station. My understanding and my advice is that the use of black ink is to make the document easier to verify when it is checked and scanned when the postal vote identifiers are being checked. I will make further inquiries, however, and write to the hon. Member for Cardiff West (Kevin Brennan) if this proves not to be the case.

Kevin Brennan: Will the Minister confirm now—or, if not, later in that letter—whether, if an elector does not use black ink, the postal vote will not be invalidated?

Mr Harper: I will look further into that. The real issue is the ease with which returning officers can validate the identifiers. I understand that, where that is not able to be done automatically, it means in practice that it has to be done manually. As I say, however, I will check, write to the hon. Gentleman, copy it to the hon. Member for Rhondda and place a copy in the House of Commons Library.

[Mr Harper]

The hon. Member for Glasgow East (Margaret Curran) said that there were a significant number of amendments. That is true, although as I think the hon. Member for Rhondda acknowledged in his remarks, a lot of them are very technical. They consist of replacing 2007 with 2010, for example, and use straightforward language to reflect what has been changed. The issues of substance, particularly those affecting Northern Ireland—where significant changes have been made to postal voting—have been discussed.

The hon. Member for Foyle raised a number of issues. He asked whether the chief electoral officer could still combine working on local and Assembly elections. Yes, he can. I was asked why the chief counting officer and the Northern Ireland chief electoral officer need to agree on the issue of the receipt of postal ballot papers. The chief counting officer co-ordinates the referendum nationally, so he has the general power of direction. The chief electoral officer of Northern Ireland obviously knows that situation on the ground, so it makes sense for them both to agree on whether to issue combined postal votes. The same position applies in the rest of the United Kingdom. We were urged at an earlier stage of our debate to make this mandatory, but combining the postal ballot papers would sometimes not be practical. Legislating for something that proves not to be practical is not very sensible.

The hon. Member for Foyle also made a point about amendment 18. My advice is that it is not intended to—and, we understand, it does not—change the position on the ability of the Northern Ireland Assembly to change the date. He raises a good point, however, and if he is concerned about it, it is worth my reflecting on it further. I will do so and write to him when I have thought more about it. I repeat that it is not the intention to change the position and we do not believe that it does. The point is nevertheless worth dealing with, and I will write to the hon. Gentleman, if that is acceptable.

Mr Dodds: When the Minister writes to the hon. Member for Foyle (Mark Durkan), will he give the same undertaking to put his response in the House of Commons Library?

Mr Harper: Yes, of course. I am grateful to the right hon. Gentleman for giving me the opportunity to confirm that. I will write to the hon. Member for Foyle, copy my reply to the hon. Member for Rhondda and place it in the Library for the benefit of all hon. Members. *[Interruption.]*

Mr Deputy Speaker (Mr Nigel Evans): Order. A number of private conversations are going on, and I am finding it difficult to listen to the Minister. If Members want to have a chat, will they please go outside the Chamber?

Mr Harper: I am grateful, Mr Deputy Speaker.

I have just one further point. The hon. Member for Foyle also raised an issue about whether the language on the forms was clear enough about spoiled ballot papers. The form mentions the need to return all the spoiled papers, but that might leave some ambiguity, so I will reflect further on it. There are two things worth saying. We have an opportunity to deal with the issue, but the hon. Gentleman will know that at an earlier stage of our proceedings, the House agreed to an amendment that gave the Electoral Commission permission to make the forms—but not the ballot papers—more accessible for disabled people and easier for voters to understand. To be clear, if, after the Bill receives its Royal Assent, as I hope it does, any further issues are raised as to whether the forms are as clear as they could be, the Electoral Commission will have the power to make those changes to facilitate accessibility or make the forms easier to use.

Mark Durkan: I thank the Minister for those particular assurances, but on my reading, form 3A under schedule 8 does not explain that if one ballot is spoiled, they all have to be returned. That is not at all clear in the wording. Any effective amendment would need to lead to a change of wording on the form, perhaps through the channel that the Minister has described.

Mr Harper: I agree. I said that I thought the hon. Gentleman made a fair point. I will go away, think about whether it is a real concern—it is a good point—and decide on the best way to deal with it. I hope that that is helpful. I believe that I have addressed the points made by hon. Members and I hope that the House will agree to the Government amendments.

Amendment 18 agreed to.

Amendment made: 19, page 3, leave out lines 31 and 32.—*(Mr Harper.)*

Schedule 7

COMBINATION OF POLLS: SCOTLAND

Amendments made: 44, page 212, leave out lines 10 and 11 and insert—

> '"the 2010 Order" means the Scottish Parliament (Elections etc.) Order 2010;'.

Amendment 45, page 212, line 15, leave out from 'Article' to 'Order' and insert '14 of the 2010'.

Amendment 46, page 212, line 32, leave out '2007' and insert '2010'.

Amendment 47, page 212, line 41, leave out '19 of the 2007' and insert '18 of the 2010'.

Amendment 48, page 213, line 9, leave out '20 of the 2007' and insert '19 of the 2010'.

Amendment 49, page 213, line 19, leave out '2007' and insert '2010'.

Amendment 50, page 213, line 31, leave out '2007' and insert '2010'.

Amendment 51, page 214, line 34, leave out '2007' and insert '2010'.

Amendment 52, page 215, line 5, leave out '2007' and insert '2010'.

Amendment 53, page 216, line 1, leave out 'second sentence of' and insert 'requirement for separate ballot boxes in'.

Amendment 54, page 216, line 33, leave out 'and (12)'.

Amendment 55, page 216, line 40, leave out '(13)' and insert '(12)'.

Amendment 56, page 218, line 18, leave out '46(7)' and insert '46(6)'.

Amendment 57, page 218, line 35, leave out '46(7)' and insert '46(6)'.

Amendment 58, page 218, line 38, leave out '2007' and insert '2010'.

Amendment 59, page 219, line 11, leave out '47(5)' and insert '47(4)'.

Amendment 60, page 219, line 21, leave out '48(7)(a)' and insert '48(6)(a)'.

Amendment 61, page 219, line 35, leave out '48(9)' and insert '48(8)'.

Amendment 62, page 220, line 5, leave out '49(8)' and insert '49(7)'.

Amendment 63, page 220, line 7, leave out '49(12)' and insert '49(10)'.

Amendment 64, page 220, line 24, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 65, page 220, line 29, leave out from '53(1)' to first 'reference' in line 30 and insert 'and (2) of the Scottish Parliamentary Election Rules, a'.

Amendment 66, page 220, line 31, leave out from 'referendum' to 'does' in line 32 and insert—

'( ) Rule 53(2)(g) of those rules'.

Amendment 67, page 220, line 37, leave out '53(1)(a)' and insert '53(2)(a)'.

Amendment 68, page 220, line 38, leave out paragraph 40 and insert—

'40 Rule 53(2) of the Scottish Parliamentary Election Rules has effect as if "counting officer" were substituted for "CRO" in each place.'.

Amendment 69, page 221, line 2, leave out '53(3)' and insert '53(4)'.

Amendment 70, page 222, line 27, leave out '2007' and insert '2010'.

Amendment 71, page 222, line 33, leave out '2007' and insert '2010'.

Amendment 72, page 223, line 8, leave out sub-paragraph (5) and insert—

'(5) The counting officer must, on request, provide an election agent for the Scottish parliamentary election with a copy of the statement relating to that election.'.

Amendment 73, page 224, line 12, leave out '2007' and insert '2010'.

Amendment 74, page 225, line 16, leave out from 'the' to 'and' in line 17 and insert 'polling register (within the meaning given in Article 2(1) of the 2010 Order),'.

Amendment 75, page 225, line 24, leave out '69(1)(e), (f) and (h)' and insert '69(1)(c), (d) and (f)'.

Amendment 76, page 225, line 27, leave out from first 'the' to end of line 28 and insert 'CRO were to the counting officer'.

Amendment 77, page 225, line 36, leave out '72' and insert '72(4), 75(2) or 77(1)'.

Amendment 78, page 226, line 3, leave out sub-paragraphs (2) and (3) and insert—

'(2) Rule 78 of the Scottish Parliamentary Election Rules has effect as if it were amended in accordance with sub-paragraphs (3) and (3A).

(3) In paragraph (2), after " CRO" insert "or counting officer".

(3A) For paragraph (3) substitute—

"(3) After the close of any polls that are being taken together with the poll that has been abandoned, the counting officer must

(a) separate the ballot papers for the abandoned poll, and

(b) deliver or cause to be delivered to the CRO the ballot papers and other documents relating to the abandoned poll.

(3A) Paragraphs (4) to (9) apply in relation to the poll that has been abandoned."'.

Amendment 79, page 226, line 28, leave out '72(8)' and insert '78(10)'.

Amendment 80, page 226, line 32, leave out 'Scottish Parliament (Elections etc.) Order 2007 (S.I. 2007/937)' and insert '2010 Order'.

Amendment 81, page 227, line 1, leave out '20A(4) or 20B(3)(a)' and insert '20(4)(b), 21(4)(b) or 22(3)(b)'.

Amendment 82, page 227, line 2, leave out '2007' and insert '2010'.

Amendment 83, page 227, line 4, leave out '28' and insert '30'.

Amendment 84, page 227, line 5, leave out '2007' and insert '2010'.

Amendment 85, page 227, line 9,, leave out '(9)' and insert '(10)'.

Amendment 86, page 227,, leave out lines 22 to 25.

Amendment 87, page 228, line 8, at end insert—

'"proxy postal voters list" includes the list kept under paragraph 8(6) of Schedule3 to the Parliamentary Voting System and Constituencies Act 2010;'.

Amendment 88, page 228, line 27, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 89, page 228, line 35, leave out 'constituency returning officer' and insert 'CRO'.

Amendment 90, page 228, line 40, before 'In' insert—

'In sub-paragraph (1)

(a) for "CRO" substitute "relevant returning or counting officer";

(b) for "CRO's" substitute "relevant returning or counting officer's".'.

Amendment 91, page 228, line 40, leave out 'sub-paragraphs (1) and (2), for "constituency returning officer"' and insert 'sub-paragraph (2), for "CRO"'.

Amendment 92, page 229,, leave out lines 24 and 25 and insert—

(a) the CRO and members of the CRO's staff;'.

Amendment 93, page 230, line 13, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 94, page 230, line 18, leave out '(8)' and insert '(9)'.

Amendment 95, page 230, line 18, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 96, page 230, line 21, leave out '(5)' and insert '(6)'.

Amendment 97, page 230, line 22, leave out '(8)' and insert '(9)'.

Amendment 98, page 230, line 23, leave out '"(8A)' and insert '"(9A)'.

Amendment 99, page 230, line 24, leave out '(6) or (9)' and insert '(7) or (10)'.

Amendment 100, page 230, line 28, leave out '(10)' and insert '(11)'.

Amendment 101, page 231, line 14, leave out '32(5)' and insert '31(5)'.

Amendment 102, page 231, line 29, leave out '32(5)' and insert '31(5)'.

Amendment 103, page 231, line 21, leave out 'constituency returning officer' and insert 'CRO'.

Amendment 104, page 232, line 15, leave out '7(7)' and insert '9(7)'.

Amendment 105, page 232, line 17, leave out 'constituency returning officer' and insert 'CRO'.

Amendment 106, page 232, column2, leave out lines 19 and 20.

Amendment 107, page 233,, leave out lines 4 to 10.

Amendment 108, page 233, line 36, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 109, page 233, line 42, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 110, page 234, line 3, before 'In' insert—

'"In sub-paragraph (1)

(a) for "CRO" substitute "relevant returning or counting officer";

(b) for "CRO's" substitute "relevant returning or counting officer's".'.

Amendment 111, page 234, line 3, leave out 'sub-paragraphs (1) and (2), for "constituency returning officer"' and insert 'sub-paragraph (2), for "CRO"'.

Amendment 112, page 234, line 7, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 113, page 234, line 10, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 114, page 234, line 12, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 115, page 234, line 15, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 116, page 235, line 35, leave out '20A' and insert '21'.

Amendment 117, page 235, line 36, leave out '20B' and insert '22'.

Amendment 118, page 236, line 18, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 119, page 236, line 29, leave out from 'sub-paragraph (4)' to end of line 30 and insert

'(a) for "CRO's" substitute "relevant returning or counting officer's"; (b) after "then" insert "lock the ballot box (if it has a lock) and"'.'.

Amendment 120, page 236, line 31, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 121, page 236, line 35, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 122, page 236, line 41, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 123, page 236, line 43, leave out '(7)' and insert '(10)'.

Amendment 124, page 237, line 2, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 125, page 237, line 3, column2, at end insert

'In sub-paragraph (4)(c), for "CRO's" substitute "relevant returning or counting officer's".'.

Amendment 126, page 237, line 5, leave out '20A' and insert '21'.

Amendment 127, page 237, line 5, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 128, page 237, line 6, column 2, at end insert—

'In sub-paragraph (4)(c), for "CRO's" substitute "relevant returning or counting officer's".'.

Amendment 129, page 237, line 9, leave out '20B' and insert '22'.

Amendment 130, page 237, line 9, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 131, page 237, line 10, column 2, at end insert—

'In sub-paragraphs (3)(c) and (5), for "CRO's" substitute "relevant returning or counting officer's".'.

Amendment 132, page 237, line 13, leave out 'lock and'.

Amendment 133, page 237, line 16, leave out '21' and insert '23'.

Amendment 134, page 237, line 16, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 135, page 237, line 19, leave out '22' and insert '24'.

Amendment 136, page 237, line 19, leave out '(3), for "constituency returning officer"' and insert '(2), for "returning officer", and for "CRO",'.

Amendment 137, page 237, line 24, column2, at end insert—

'In sub-paragraph (3)—

(a) for "CRO" substitute "relevant returning or counting officer";

(b) for "CRO's" substitute "relevant returning or counting officer's".'.

Amendment 138, page 237, line 25, leave out '23' and insert '25'.

Amendment 139, page 237, line 26, leave out 'constituency returning officer' and insert 'CRO'.

Amendment 140, page 237, line 30, leave out '24' and insert '26'.

Amendment 141, page 237, line 30, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 142, page 237, line 35, leave out '25' and insert '27'.

Amendment 143, page 237, line 35, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 144, page 237, line 38, leave out '26' and insert '28'.

Amendment 145, page 237, line 38, leave out '"constituency returning officer"' and insert '"CRO"'.

Amendment 146, page 237, line 41, leave out '27' and insert '29'.

Amendment 147, page 238, line 2, leave out '28' and insert '30'.

Amendment 148, page 238, column2, leave out lines 2 to 48 and insert—

'In sub-paragraph (1)—

(a) for the words before sub-paragraph (a) substitute "The relevant returning or counting officer shall retain, together with the documents mentioned in rule 69(1) of the Scottish Parliamentary Election Rules and rule 49 of the referendum rules";

(b) in paragraph (a), for the words from "the election to which" to the end substitute "the election or referendum to which it relates and the area to which it relates";

(c) in paragraph (b), at the end insert "in respect of the election, and a completed statement in the form set out in Form 10 in Part 3 of Schedule 7 to the Parliamentary Voting System and Constituencies Act 2010 in respect of the referendum".'

Amendment 149, page 239, line 3, leave out '53(1)(g)' and insert '53(2)(g)'.

Amendment 150, page 239, line 6, leave out ""constituency returning officer"" and insert ""CRO"".

Amendment 151, page 239, leave out lines 9 to 12.

Amendment 152, page 239, line 13, leave out '68 and 69' and insert '68, 69, 70 and 71(1)'.

Amendment 153, page 239, leave out lines 29 to 38 and insert—

'(i) in relation to a document or packet relating to the Scottish parliamentary election, rules 68, 69, 70 and 71(1) of the Scottish Parliamentary Election Rules;

(ii) in relation to a document or packet relating to the referendum, rules 50 and 51 of the referendum rules."'.

Amendment 154, page 239, line 39, leave out from 'sub-paragraph (4)' to end of line 42 and insert 'for "CRO"'.

Amendment 155, page 240, leave out line 9.

Amendment 156, page 245, line 5 (Form 4—Form of postal voting statement (to be used for Scottish parliamentary election where proceedings on issue and receipt of postal ballot papers not combined)).

Amendment 157, page 251, line 9 (Form 10—Statement as to postal ballot papers for the referendum).—(*Mr Harper.*)

Schedule 8

COMBINATION OF POLLS: NORTHERN IRELAND

Amendments made: 158, page 255, line 6, at end insert—

'(ba) Part 5 of the Representation of the People (Northern Ireland) Regulations 2008 (S.I. 2009/1741) or Part 3 of Schedule 2 to the Local Elections (Northern Ireland) Order 1985 (S.I. 1985/454) (issue and receipt of postal ballot papers);'.

Amendment 159, page 255, line 25, at end insert—

'(0) rule 16A (corresponding number list);'.

Amendment 160, page 255, line 36, at end insert—

'( ) a provision referred to in sub-paragraph (1)(ba), (3)(c) or (h) or (4)(b),'.

Amendment 161, page 255, line 39, leave out paragraphs (b) and (c) and insert—

'( ) rule 16A of the Local Elections Rules to the extent that it relates to ballot papers issued in pursuance of rule 21(1) of those rules, or'.

Amendment 162, page 255, line 44, at end insert—

'( ) The Chief Electoral Officer may not decide that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together unless the Chief Counting Officer agrees.'.

Amendment 163, page 256, line 2, leave out ', 3' and insert 'to 3B'.

Amendment 164, page 256, line 13, at end insert—

'( ) rule 16A of the Local Elections Rules.'.

Amendment 165, page 256, line 16, at end insert—

'( ) rule 16A(2) of the Local Elections Rules.'.

Amendment 166, page 256, line 25, at end insert—

'( ) rule 26(1) of the Local Elections Rules.'.

Amendment 167, page 256, line 31, at end insert—

'( ) rule 16A of the Local Elections Rules.'.

Amendment 168, page 257, line 31, leave out 'this paragraph' and insert 'sub-paragraph (2)'.

Amendment 169, page 257, line 33, at end insert—

'(4) The declaration of identity to be used by those entitled to vote by post in the Assembly election must be in the form set out in Form 3A in Part 2 of this Schedule.

(5) Sub-paragraph (4) applies instead of the requirement in rule 24(1) of the Assembly Elections Rules for a declaration of identity to be in a particular form.

(6) The declaration of identity to be used by those entitled to vote by post in the local election must be in the form set out in Form 3B in Part 2 of this Schedule.

(7) Sub-paragraph (6) applies instead of the requirement in rule 21(1) of the Local Elections Rules for a declaration of identity to be in a particular form.'.

Amendment 170, page 258, line 16, at end insert—

'(0) rule 26(3)(e) of the Local Elections Rules.'.

Amendment 171, page 258, line 18, at end insert—

'( ) rule 26(3ZC) of the Local Elections Rules.'.

Amendment 172, page 260, line 38, at end insert—

'22A (1) This paragraph applies where the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together.

(2) If the Chief Electoral Officer thinks fit, he or she may require the relevant registration officer to produce—

(a) a combined postal voters list, consisting of the things that would otherwise be included in—

(i) the postal voters list for the referendum;

(ii) the list under paragraph 2(4)(a) of Part 1 of Schedule 2 to the Local Elections Order;

(iii) the list under section 7(4)(a) of the Representation of the People Act 1985 as applied for the purposes of Assembly elections by Article 3(1) of, and Schedule 1 to, the Northern Ireland Assembly (Elections) Order 2001;

(b) a combined proxy postal voters list, consisting of the things that would otherwise be included in—

(i) the proxy postal voters list for the referendum;

(ii) the list under paragraph 4(8) of Part 1 of Schedule 2 to the Local Elections Order;

(iii) the list under section 9(9) of the Representation of the People Act 1985 as applied for the purposes of Assembly elections by Article 3(1) of, and Schedule 1 to, the Northern Ireland Assembly (Elections) Order 2001.'.

Amendment 173, page 265, line 41, at end insert—

'( ) Where lists are prepared as mentioned in paragraph 7(2), 8(2) or 16(1)—

(a) rules 49(1)(b) and 51 of the referendum rules apply to the packets of those lists;

(b) rule 58(1) of the Local Elections Rules applies as if sub-paragraph (da), so far is it relates to those lists, were omitted.'.

Amendment 174, page 266, line 6, after 'rule' insert '60 or'.

Amendment 175, page 266, line 9, after '61' insert 'or 63'.

Amendment 176, page 266, line 42, leave out '61(2)' insert '64(1) to (6)'.—(*Mr Harper.*)

Amendment proposed: 177, page 266, line 42, at end insert—

PART 1A

POSTAL VOTING

Interpretation

39 In this Part—

"the 2008 Regulations" means the Representation of the People (Northern Ireland) Regulations 2008 (S.I. 2008/1741) as applied for purposes of the referendum by Part 3 of Schedule4, and those regulations as applied for the purposes of Assembly elections by Article 3(2) of, and Schedule 2 to, the Northern Ireland Assembly (Elections) Order 2001 (S.I. 2001/2599);

(a) the Representation of the People (Northern Ireland) Regulations 2008 (S.I. 2008/1741) as applied for purposes of the referendum by Part 3 of Schedule4, and

(b) those regulations as applied for the purposes of Assembly elections by Article 3(2) of, and Schedule 2 to, the Northern Ireland Assembly (Elections) Order 2001 (S.I. 2001/2599);

"the Local Elections Order" means the Local Elections (Northern Ireland) Order 1985 (S.I. 1985/454).

Attendance at proceedings on issue and receipt of postal ballot papers

40 (1) This paragraph applies where the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together.

(2) The following provisions have effect as if the persons listed in them included persons who would be entitled to be present at the proceedings on the issue or receipt of postal ballot papers in respect of the referendum or a relevant election if those proceedings were taken on their own.

(3) The provisions are—

(a) regulation 72 of the 2008 Regulations;

(b) paragraph 3(1) of Part 3 of Schedule 2 to the Local Elections Order.

Procedure on issue of postal ballot papers

41 (1) This paragraph applies where—

(a) the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together, and

(b) a combined postal voters list or proxy postal voters list is produced by virtue of paragraph 22A.

(2) In a case where a postal ballot paper is issued at the same time in respect of the referendum and the relevant elections, a single mark must be placed in the list under the following provisions—

(a) regulation 76(2) of the 2008 Regulations;

(b) paragraph 6(1) of Part 3 of Schedule 2 to the Local Elections Order.

(3) In any other case, a mark must be placed in the list under those provisions identifying the poll to which each postal ballot paper issued relates.

Provisions requiring declaration of identity to indicate colours of ballot papers

42 (1) The provisions listed in sub-paragraph (3) do not apply where the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together.

(2) Otherwise, the provisions listed in sub-paragraph (3) have effect as if the words before "the colour" were omitted.

(3) The provisions are—

(a) regulation 76(4) of the 2008 Regulations;

(b) paragraph 6(3) of Part 3 of Schedule 2 to the Local Elections Order.

Envelopes

43 (1) This paragraph applies where the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together.

(2) The same covering envelope and ballot paper envelope must be issued to a voter under the following provisions in respect of the referendum and the relevant elections.

(3) The provisions are—

(a) regulation 78 of the 2008 Regulations;

(b) paragraph 8 of Part 3 of Schedule 2 to the Local Elections Order.

(4) The number of each of the postal ballot papers issued must be marked on the ballot paper envelope unless the envelope has a window through which all of the ballot paper numbers are displayed.

(5) The following provisions do not apply—

(a) regulation 78(4) of the 2008 Regulations;

(b) paragraph 8(2) of Part 3 of Schedule 2 to the Local Elections Order.

Spoilt postal ballot papers

44 (1) This paragraph applies where—

(a) the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together,

(b) a person returns a spoilt postal ballot paper under regulation 81(1) of the 2008 Regulations or paragraph 12(1) of Part 3 of Schedule 2 to the Local Elections Order, and

(c) a postal ballot paper has been issued to the person in respect of one or more of the other polls.

(2) The spoilt postal ballot paper may not be replaced unless all the postal ballot papers issued to the person are returned.

(3) Where an unspoilt postal ballot paper is returned as mentioned in sub-paragraph (2), the 2008 Regulations or Local Elections Order apply to it as if it were a spoilt ballot paper.

Opening of postal voters' ballot box

45 The following provisions have effect as if for the words after "opened" there were substituted "at the counting of the ballot papers"—

(a) regulation 85(3) of the 2008 Regulations;

(b) paragraph 16(3) of Part 3 of Schedule 2 to the Local Elections Order.

Opening of ballot paper envelopes

46 (1) This paragraph applies where the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together.

(2) The following provisions have effect as if after "number" there were inserted "(or one of the numbers)"—

(a) regulation 88(2)(a) of the 2008 Regulations;

(b) paragraph 17B(2)(a) of Part 3 of Schedule 2 to the Local Elections Order.

(3) The following provisions have effect as if at the end there were inserted "or, where more than one number appears on the ballot paper envelope, a sufficient number of ballot papers (marking the envelope to indicate the missing ballot paper)"—

(a) regulation 88(2)(c) of the 2008 Regulations;

(b) paragraph 17B(2)(c) of Part 3 of Schedule 2 to the Local Elections Order.

Countermand or abandonment of poll for relevant election

47 The following provisions do not apply where the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together—

(a) regulation 90 of the 2008 Regulations;

(b) paragraph 18 of Part 3 of Schedule 2 to the Local Elections Order.

Retention of documents

48 (1) This paragraph applies where the Chief Electoral Officer decides that the proceedings on the issue and receipt of postal ballot papers in respect of the referendum and the relevant elections are to be taken together.

(2) The Chief Electoral Officer must—

(a) endorse on each of the specified packets a description of its contents, the date of the poll and the name of the area to which the packet relates;

(b) complete a statement as to postal ballot papers in relation to each poll;

(c) retain the packets and statements.

(3) The specified packets—

(a) in relation to the referendum and the Assembly election, are the packets made up under regulations 79, 81(5) and 89 of the 2008 Regulations;

(b) in relation to a local election, are the packets made up under paragraphs 11 and 17C(b) of Part 3 of Schedule 2 to the Local Elections Order.

(4) A statement as to postal ballot papers—

(a) in the case of the referendum and the Assembly election, must be in the form set out in Form N in Schedule 3 to the 2008 Regulations;

(b) in the case of a local election, must be in the form set out in Form 2 in Part 3 of Schedule 2 to the Local Elections Order.

(5) Where—

(a) any covering envelopes are received by the Chief Electoral Officer after the close of the poll,

(b) any envelopes addressed to postal voters are returned as undelivered too late, or

(c) any spoilt postal ballot papers for the referendum or Assembly election are returned too late to enable other postal ballot papers to be issued,

the Chief Electoral Officer must seal those envelopes or postal ballot papers up in a separate packet, endorse the packet as mentioned in sub-paragraph (2)(a) and retain the packet.

(6) A copy of the completed statements as to postal ballot papers for the referendum and for the Assembly election must be provided to the Electoral Commission.

(7) The following rules apply to any packet or document retained under this paragraph—

(a) rules 51 and 52 of the referendum rules;

(b) rule 56 of the Assembly Elections Rules;

(c) rule 59 of the Local Elections Rules.

(8) In its application by virtue of sub-paragraph (7)(c), rule 59 of the Local Elections Rules has effect as if references to the proper officer of the council were to the Chief Electoral Officer.

(9) This paragraph applies instead of regulation 91 of the 2008 Regulations.

(10) Paragraph 19 of Part 3 of Schedule 2 to the Local Elections Order has effect as if—

(a) in sub-paragraph (1), the reference to paragraphs 11 and 17C(b) were omitted;

(b) in sub-paragraph (2), the references to envelopes were omitted.'.—*(Mr Harper.)*

Question put, That the amendment be made:—

The House divided: Ayes 331, Noes 238.

Division No. 108] **[6.58 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunter, Mark

Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
James Duddridge and Stephen Crabb

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter

Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Jonathan Reynolds and Stephen Pound

Question accordingly agreed to.

Amendments made: 178, page 269, line 29, leave out 'the spoilt ballot paper(s)' and insert 'all the spoilt ballot papers'.

Amendment 179, page 270, line 34 (Form 3A – Form of declaration of identity (to be used for Northern Ireland Assembly election where proceedings on issue and receipt of postal ballot papers not combined)).

Clause 8

COMMENCEMENT OR REPEAL OF AMENDING PROVISIONS

Mr William Cash (Stone) (Con): I beg to move amendment 7, page 6, line 10, at end insert ', and

> (c) the number of electors casting a vote in the referendum is equal to or greater than 40 per cent. of those entitled to cast such a vote.'.

Mr Deputy Speaker (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment 197, page 6, line 10, at end insert

', and

> (c) the number of electors casting a vote in favour of the answer "Yes" is equal to or greater than 25 per cent. of those entitled to cast such a vote.'.

Amendment 8, page 6, line 12, after '"No",' insert

'or if the number of electors casting a vote in the referendum is less than 40 per cent. of those entitled to cast such a vote,'.

Amendment 198, page 6, line 12, after '"No"' insert

'or if the number of electors casting a vote in favour of the answer "Yes" is fewer than 25 per cent. of those entitled to cast such a vote'.

Mr Cash: The question of threshold is the second most important issue after the question of whether we agree to this Bill on Second or Third Reading. We have Third Reading to come, and I admit to having voted with some enthusiasm against the Bill on Second Reading, as did a number of my colleagues. We did so because of our inherent objection to the principles that underlie it. I objected to the alternative vote in the wash-up, and I have no reservations about my objections to it. Indeed, I have consistently objected to variants of the proportional representation system ever since I entered the House.

That principled objection has been adopted by Members throughout 150 years of our parliamentary democracy. Many, including Gladstone, Disraeli and even Lloyd George, have objected to the whole idea of undermining the first-past-the-post system. I am reminded of what Disraeli wrote in his novel "Coningsby". At the time of the Reform Act and the repeal of the corn laws, he wrote in a brief chapter of just one-and-a-half pages:

> "There was a great deal of shouting about Conservative principles, but the awkward question naturally arose – what are the principles we are supposed to conserve?"

I believe this Bill is inherently contrary to Conservative principles for the reasons I have given.

Indeed, I would go further and say that I fear that we have not really heard the full reality – the actualité – of what is going on here. Failure in that regard makes it all the more necessary to have a threshold, because if we do not tell the British people the entire truth, which Churchill said we had to do, I fear they will be misled in the referendum campaign. My belief that a threshold is

[Mr Cash]

necessary is based in part on the fact that at least that would enable a percentage of the population to be the determining factor as to whether or not the vote is valid.

7.15 pm

My amendment is very modest. It simply calls on the Government to agree that we should insert in the Bill that the result of the referendum will not pass if less than 40% vote in it. That is 40% of those who are eligible to cast a vote. It is about turnout, and 40% is not a large proportion. It is much less than what George Cunningham insisted on in the Scottish devolution proposals that led to the 1979 legislation on that; he insisted on having 40% for a yes vote, whereas I am calling here for only 40% of the electorate. It is a very modest proposal. Is it not a reasonable proposal? Is it not reasonable that the people of this country should be able to have the result of a referendum refused if less than 40% actually cast a vote in it?

There is another serious problem. If a person goes into the ballot box and votes for one person only because he does not want to vote for any of the others—he should have freedom of choice on that—thereafter his vote is discarded. I regard that as fundamentally undemocratic. I see the Minister looking a little puzzled. Well, he can answer my question when he replies. The inherent problem with the whole of this process is that it will have an insidious effect on our democratic system. It is contrary to Conservative principles, and there is no conceivable basis on which these proposals should be passed. I will be voting against the Bill on Third Reading, and I will also press this amendment to a vote.

Mr Dodds: In the light of the hon. Gentleman's strong denunciation of the Bill for the reasons he has given, why has he set the threshold so low, at 40% of turnout?

Mr Cash: Actually, I set it at over 60% until we had the shenanigans on, I think, 18 October. We were effectively deprived—I will not say cheated—of the opportunity to debate this matter in our deliberations on clause 6. The chicanery, as I called it, that we engaged in on that occasion resulted in the threshold being negatived under the procedures of the House. I am not going to go back over that territory however, because I am delighted that we are now having an opportunity to debate this topic.

The threshold question is very important and we were previously deprived of an opportunity to discuss it properly because of the programme motion and other activities that I regarded as rather disreputable. I believe the Bill is being severely vitiated, and I think it is very important that the people of this country know that threshold is a key issue. Indeed, threshold and the 40% figure are regarded by all commentators as having significance across the international scene as well as for the United Kingdom.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): The hon. Gentleman mentions the international evidence. Italy has a provision that is similar to the one he is proposing and the effect is that those who favour a no vote in referendums simply campaign for them to be boycotted. If the hon. Gentleman's amendment is successful, will he campaign for a no vote or for people to boycott the referendum?

Mr Cash: I will undoubtedly be campaigning for a no vote, but I must also say that I rely very much on the good sense of the British people to decide exactly what they will do, because we trust the people; that is the point.

Mr Christopher Chope (Christchurch) (Con): Does my hon. Friend accept that the problem identified by the hon. Member for Liverpool, West Derby (Stephen Twigg) is not one that applies to amendment 197, because it proposes a support threshold, rather than a turnout threshold.

Stephen Twigg *indicated assent.*

Mr Chope: I see the hon. Gentleman nodding. If amendment 197 were to be accepted, at least one in four electors would have to support the proposed change, and that is very different from what my hon. Friend the Member for Stone (Mr Cash) is talking about, which is a turnout threshold.

Mr Cash: We were all much more in agreement about this in Committee. All I can say to my hon. Friend is that I believe very strongly, for the reasons I have given and because of the principles I have enunciated, that the 40% threshold is desirable. Incidentally, on the majority provisions prevalent in other democracies in the west, Denmark's requirement on constitutional change is for 40% of registered voters and, as the hon. Member for Liverpool, West Derby (Stephen Twigg) implied, Italy has a turnout requirement of 50% of registered voters. Indeed, this country used something not similar, but parallel in the 1979 vote, when the requirement was for 40% of registered voters saying yes.

Mr Edward Leigh (Gainsborough) (Con): All these amendments on thresholds are eminently sensible, but does my hon. Friend agree that there is no chance of their being accepted because the Government will not accept them and that is because there is such profound apathy about this measure among the British people that if any kind of threshold was in place, there would be no chance of the proposal in the referendum being accepted? That is the reality.

Mr Cash: I understand what my hon. Friend is saying, but the problem arises if he simply takes the view that, for one reason or another, either in this House or outside it, there is apathy. I simply refer him back to all the great constitutional problems that have arisen in the past 150 years, when there has also been a problem of apathy, because the constitutional arguments are difficult to get across. I think of this on the basis of, for example, the preference arrangements where a person votes for only one candidate, which will mean that a large number of people will, in effect, be disfranchised—they might be very concerned about that. Some 1.5 million people voted for the UK Independence party and the British National party, and one might say that they may well not vote for anybody else. The other thing, which goes with that, is that if one is faced with a choice of Liberal and Labour, there may be an increased likelihood of people voting Liberal Democrat.

Thomas Docherty (Dunfermline and West Fife) (Lab) *rose—*

Mr Cash: Wait a minute. That is so for the very simple reason that many people have a visceral hatred of both parties and therefore think, wrongly, that they are voting for another party that will do them some good—we have a different view about that.

I regard this as a lambs-to-the-slaughter Bill—this is why I insist on the threshold—because of what would happen under these arrangements to a number of Conservative MPs if they were to get less than 50% of the vote, as they did in the last election. I have calculated that 60 Conservative MPs had Liberal Democrats in second place. My sense of friendship for my colleagues suggests to me that putting as many as 60 seats on the line is a very high price to pay for the purposes of something so central to the coalition. The figures I have show that those who would be affected range from my hon. Friend the Member for Watford (Richard Harrington), who got 34.9% of the vote, to my hon. Friend the Member for Romsey and Southampton North (Caroline Nokes), who got 49.7%. All those Members would be largely at risk, although some more so than others, and something will depend on the boundary changes. I cannot understand how my party can make arrangements that take those lambs to the slaughter. This is extraordinary and I would be interested to hear the Minister's reply.

Mr Kevan Jones (North Durham) (Lab): I am very interested in the hon. Gentleman's point. I agree that turkeys do not usually vote for Christmas. Does he perhaps think that his leader has a plan for his party that he is obviously not party to?

Mr Cash: I have voted consistently against this Bill and I will continue to do so, for the reasons that I have given. It behoves some of us to act both with consistency and in principle against things that were not in our manifesto—in fact, it is the opposite because our manifesto declared that we were not in favour of the alternative vote. Furthermore, there was complete silence on the question of threshold until we received the Bill.

Thomas Docherty: The hon. Gentleman is probably one of the longest-serving parliamentarians. Will he clarify whether he believes that the House of Lords should be bound to follow the manifesto commitment convention or, given that this provision was not in his party's manifesto, that the House of Lords is perfectly entitled to disregard that convention?

Mr Cash: That is a very good question.

My final point is that leaving this ultimately House of Commons issue—it is about voting here in the House of Commons—to the House of Lords is absolutely disgraceful. This issue should not be resolved in the House of Lords. I have heard a number of my hon. Friends, for whom I have the greatest respect on most matters, churning this out and I simply think it is unacceptable. This is a matter for the House of Commons; it is about our electors, our constituencies, our constitution and the freedom of choice at the ballot box. I utterly reject this Bill and I utterly reject the idea of AV. I strongly urge hon. Members to vote with me on the threshold provision that stands in my name.

Chris Bryant: The hon. Member for Stone (Mr Cash) knows that I have great respect for him. He is adamantine in his positions, holding to them with consistency and firmness, and I respect him for it enormously. Often I disagree with him, but I almost entirely agree with him on this Bill, and I also think that he has made a good case this evening. He referred to Conservative principles, so I wish to nick a few words that the hon. Member for Ceredigion (Mr Williams) reminded some Welsh colleagues of this morning in Westminster Hall. As he said, Evelyn Waugh asked what the point of a Conservative Government is if it does not turn the clock back, and I am sure that the hon. Member for Stone will agree with that.

However, I do not agree with the hon. Gentleman about thresholds in referendums because, broadly, they are not a good idea. As these amendments have shown, it is difficult to know whether the threshold should relate to the turnout—the number of people who vote—or the turnout of those who express a preference. In other words, should it leave out or include those who spoiled their ballot paper? Alternatively, should it relate to those who vote yes to change? Obviously, in countries that have written constitutions all this tends to be laid down; it is one of the key elements that is written down. If someone wants to change any element of the constitution in Germany, Spain or many other countries, they have to obtain a fixed percentage—normally greater than an absolute majority—to be able to effect change. In the German constitution, any change has to be given a successful mandate after two subsequent general elections. I do not believe that that is the way we have tended to do things in the British system.

Mr Leigh: I am curious to know why the Labour party takes the attitude it does. Is it because it is, in principle, opposed to thresholds or is it because it is scarred by its experience in 1979, when the referendum would have gone through but for the threshold, which ushered in the vote of confidence, 18 years of Tory role and all the rest of it? Does Labour have a principled objection or is it just history?

Chris Bryant: The scars of history can give us principles—that is the truth of it. That may well apply to the Conservative party too in relation to some of the things it has had to change in recent years. I point out that if there were to be a threshold for election to this House or to council seats, especially in council by-elections, there would undoubtedly be some occasions when people would not be returned, because voters might choose to do precisely what happens, as my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) has said, in some countries where there is a threshold.

Several hon. Members *rose—*

Chris Bryant: I will give way in a moment. In some countries that have thresholds, people are persuaded to boycott. If people felt that they did not like any of the candidates, they might decide that the best way not to return a candidate was to boycott the election.

Mrs Laing *rose—*

Chris Bryant: I had offers from Labour Members, so, tempting as the hon. Lady's offer is, I am going to give way—

Graham Stringer (Blackley and Broughton) (Lab) *rose*—

Kelvin Hopkins (Luton North) (Lab) *rose*—

John Mann *rose*—

Chris Bryant: I am not so sure actually. No, I give way to my hon. Friend the Member for Blackley and Broughton (Graham Stringer).

Graham Stringer: I cannot imagine why my hon. Friend is not so sure about that. I would be grateful if he told us where in the Labour manifesto—or anywhere else in Labour party policy—there is a commitment against thresholds. More importantly, is not the serious argument for the Labour party, the Conservative party or any other party in this Chamber the question of what we would do if there was only a 15% turnout? What would the Government do and what would the House of Commons do? Surely we could not accept that.

7.30 pm

Chris Bryant: My hon. Friend is absolutely right that there is no fixed determined policy that we are completely and utterly in all cases implacably opposed to thresholds. Nor, for that matter, is there a belief that we ardently should have thresholds. However, I suspect that the hon. Member for Stone has tabled this amendment in some sense as a wrecking amendment, in that he does not really want AV, and that is part of his intention.

Mr Cash *rose*—

Chris Bryant: I shall not give way to him, because there is very little time for debate. I accept that that might not be his intention, but none the less it might be the result of such a thing.

Dr Sarah Wollaston (Totnes) (Con): Will the hon. Gentleman give way?

Chris Bryant: I ought to give way, in fairness, to one of the hon. Ladies opposite.

Dr Wollaston: Does the hon. Gentleman have any threshold at which he thinks we would be completely without any validity at all? Perhaps he would like to suggest a threshold.

Chris Bryant: I was actually trying not to suggest a threshold. The hon. Lady is right in one sense, of course. I hope that this might appease my hon. Friend the Member for Blackley and Broughton as regards some of what he said. There is a complexity about the referendum that we might have next May, because we might have very differential turnout in Wales, Scotland, Northern Ireland and England.

If, for instance, there were to be a very low turnout in England that returned a no vote and a very high turnout in the other places—there is a Scottish parliamentary election, in Northern Ireland there are two other sets of elections and in Wales there is the Assembly election at the same time, and in Wales and Scotland those feel in many senses like general elections—returned significant yes votes, people might start to question the validity of what we were doing. This is all the more important because the referendum is not just an advisory referendum—as referendums have always been in the past—but an implementing referendum. In other words, if there is a yes vote, it comes into law. It happens, and the next general election will be held on the basis of the alternative vote.

I am not convinced by the arguments that are being advanced in favour of thresholds. I personally will be voting yes in the referendum. I do not believe that there should be a referendum, but there is a legitimate argument that others might want to consider about whether the fact that we are combining the polls will produce a differential turnout in different parts of the country that might make a necessity of a threshold.

Mr David *rose*—

Chris Bryant: I think that a Welsh colleague is desirous of my attention.

Mr David: As well as making a powerful comment—and judgment, really—on the proposal for a threshold, is my hon. Friend not harking back to what we talked about earlier, making a convincing case not to have the elections in Wales, Scotland and Northern Ireland on the same day or to have the AV vote on the same day?

Chris Bryant: Absolutely. As somebody who supports alternative vote, which I know my hon. Friend does not, and as somebody who will want to see a yes vote in the referendum, I find that one of the most depressing things—I think this is true of others in the Chamber who want to see change to the electoral system—is that the way in which the Government and, in particular, the Deputy Prime Minister have proceeded with this has made it more difficult for many to advocate that cause and to push for reform. Now, I shall give way to the hon. Member for Epping Forest (Mrs Laing)—

Mrs Laing *indicated dissent.*

Chris Bryant: She no longer wants me.

As the hon. Member for Stone said earlier, two different thresholds are proposed. One is that there will be a 25% yes threshold—that is, that we would have to secure 25% of the electorate to count for a yes, and that can be found in amendment 197. The other is the turnout referendum of 40% that the hon. Gentleman has already proposed. I think that it would be inappropriate to move forward with either of the two thresholds and I urge hon. Members to vote against them.

John Mann: Like my hon. Friend, I am a supporter—and always have been—of AV. He mentioned the Labour party, and of course the Labour party has no policy, but has not the Labour movement long held the principle that in trade union rule changes there should be a threshold precisely because rule changes are irreversible, in that they must be implemented? Should not the principle of a threshold mean that the Government should be looking for significantly more than 326 votes on Third Reading tonight to demonstrate any kind of support for this rotten Bill?

Chris Bryant: The difficulty about thresholds in the Labour movement is that, for instance, I suppose one could have said that there should be a threshold for the election of candidates for the Labour party—or, for that matter, for the leader of the Labour party. I think that that would be inappropriate. When we have an election, we in the Labour movement have always proceeded on the basis of alternative vote—*[Interruption.]* To be fair, in the past, for a brief period, we used a single vote but then there was a run-off that was used for several years. For several years now—for several decades, in fact—we have used the alternative vote to select candidates when there is a single member standing. When there are multiple members, we use first past the post. The point that I want to make is that I do not think that it is appropriate to bring in a threshold at this time, but I fully understand that there are others who say that because of the way in which the Government are pushing forward with this legislation and because it is an implementing referendum, a threshold would be appropriate.

I think I can see the hon. Member for Aldridge-Brownhills (Mr Shepherd) cogitating, so I shall give way to him.

Mr Richard Shepherd (Aldridge-Brownhills) (Con): I was not cogitating—I was bemused by the rationality of the hon. Gentleman's argument. If I understood it correctly, he was saying that there was a level of turnout that would not authorise, essentially, so dramatic a change in the public mind. If it does not have the authority of a certain percentage enabling us to claim that it was the will of the people, at what level does he think that should be set? There must surely be a level for such a profound constitutional change to be authorised, as was suggested with reference to the union movement, for instance.

Chris Bryant: To be honest, I would prefer us to have a written constitution in which all those elements were laid out, but that is not what is before us tonight. One could go around this Chamber and see on what proportion of the vote of the total electorate any one of us was elected—after all, the proposition in amendment 197 is that one would have to be elected by a proportion of the electorate. I think that that would be inappropriate. We have a system in this country where someone either wins or loses the vote. There would be a strong point in arguing that this should not be an implementing referendum, but merely an advisory referendum. The House would therefore be able to take a decision on the basis of what turnout there had or had not been. I would hate to see the campaign simply to boycott the referendum that would almost certainly arise from those who are opposed to a change.

Several hon. Members *rose*—

Chris Bryant: I am very keen to abandon the Dispatch Box as soon as I possibly can, but I shall give way to my hon. Friend the Member for Foyle (Mark Durkan).

Mark Durkan: Does the hon. Gentleman recognise that the impact of thresholds on referendums—remember that we are told that the whole issue of constituency changes in this Bill is about creating equal votes—is that they create unequal votes? Those who do not vote—even those who do not vote because they are dead—have more influence, and more say than those who go to the bother of voting. Is not the real issue that people want to learn the lesson from Irish referendums? As well as creating confusion and saying, "If you don't know, vote no," they will say in some places, "If you don't know, don't vote."

Chris Bryant: My hon. Friend made that point in a previous discussion, and he is absolutely right. We should have a straightforward system where people fight to win their side of the argument. They win that side of the argument by getting people past the ballot box to vote either yes or no. That is why I am, broadly speaking, opposed to referendums.

Let me issue one tiny note of caution, which comes from the problems that the Government are giving us by combining the polls on 5 May. As the hon. Member for Epping Forest (Mrs Laing) said earlier, this has absolutely nothing to do with whether people are bright enough or stupid enough to understand two different propositions that might be put to them—the voters are perfectly intelligent enough to be able to do that—but we will have different turnouts in different parts of the country, which will cause a significant problem. When my hon. Friend the Member for Cardiff West (Kevin Brennan) said earlier that a no vote in the referendum would be a significant problem for the Deputy Prime Minister, the Deputy Leader of the House said from a sedentary position, "No, it wouldn't really." So the cat is out of the bag: the Deputy Prime Minister could not care less whether the referendum is successful—whether it leads to a yes or no vote. I think, as do many Members on both sides of the House who would really like a reform of the electoral system, that that betrays the cause that many people had thought essential to the Liberal party. That is why many of us have a profound suspicion that the Deputy Prime Minister is in this less for sound principle than for self-advancement.

Mrs Laing: By tabling amendments 197 and 198 I am again trying to help the Government. The Minister made it clear when we tried to debate this matter in Committee on 18 October that he wanted a debate and a vote on the vital issue of thresholds. He, we and the House were denied that opportunity in Committee so I hope that I am being helpful in giving him the opportunity to debate it now. Alas, however, because very long speeches were made by Opposition Members earlier, we do not have long to debate this matter.

The amendment that my hon. Friend the Member for Milton Keynes South (Iain Stewart) and I submitted in Committee was for a turnout threshold not of 60%, as I have been derided in the press for suggesting, but of 50%. *[Interruption.]* Not by the shadow Minister, no—by *The Daily Telegraph*. There is a surprise! I would never have suggested 60%. However, I have listened to the hon. Member for Rhondda (Chris Bryant) and I have listened, surprising as it might seem, to the Deputy Prime Minister.

Graham Stringer: Where is he?

Mrs Laing: He is never here for these debates—never at all. The Minister has entirely taken the responsibility for all this and the Deputy Prime Minister has been here only for the first half hour of Second Reading—that

[Mrs Laing]

is all—and I do not suppose we will see him at any other point in the debate. I have listened to him however, and he has said, as the hon. Member for Rhondda has said this evening, that it would not be fair to count potential electors who do not vote as no votes. The hon. Member for Rhondda has also said that those boycotting the poll would be counted as no votes, and I entirely accept that.

Mr Shepherd: This is a very important point. There was an old rule right through history that with proposals for a big change, those who did not vote were expressing that they were satisfied with the existing arrangements. Does my hon. Friend agree that if one believes in change, one votes for change, and that if one does not believe in change there is no incentive to do so because one is consenting to the existing arrangements?

Mrs Laing: That is the crux of the matter. People who want a change in our constitution will go out on 5 May—I suppose that it will be 5 May—and vote for change. People who do not go out to vote for change can reasonably be presumed not to want change. However, I accept that the issue could be made clearer, rather than allowing the argument about boycotts and no votes, so we have tabled amendments 197 and 198, which would require 25% of those who are entitled to vote—just a quarter—to vote yes for the referendum to be binding. That is a very modest requirement and a very low threshold.

7.45 pm

Thomas Docherty: My maths is not fantastic, but does the hon. Lady accept that she is talking about a turnout of up to 49.9% with 25% voting yes and 24% voting no, and that many constituencies do not get such turnouts at general elections?

Mrs Laing: The hon. Gentleman anticipates my next point. A referendum is not an election; it is a completely different part of the democratic process. The hon. Member for Rhondda and others have compared turnouts in general and local elections, in which voters choose between three, four or five candidates, with referendums, but they are not the same. If they were, a referendum would be called an election. A referendum is a plebiscite. In a referendum, the people are consulted on a particular issue on a yes or no vote; that is not the same as an election and comparisons between the two regarding turnout or other aspects are therefore irrelevant. The simple, inescapable principle is that a change to the voting system is a significant constitutional change; that is why the Government have decided to have a referendum—and rightly so. The outcome of a referendum to change our constitution must be, and must be seen to be, decisive. It must command confidence and respect and it should not be challengeable. If there is a derisory turnout, the result will not command respect or confidence. Indeed, it is worse that that.

Mr Leigh: Is not the virtue of my hon. Friend's amendments, compared with those of my hon. Friend the Member for Stone (Mr Cash), that hers would not encourage abstention? With hers, everyone who wanted AV would go and vote for it and everyone who did not would vote against it.

Mrs Laing: I thank my hon. Friend; that is exactly the point of my amendments on having a threshold for those voting yes. Any constitutional change that will have an enormous effect on the composition of the House and of Parliament ought to be brought about in a way that commands confidence and respect. In tabling my modest amendments, I am trying once more to help the Government.

What if the referendum takes place and 15% of people vote yes? In a local election, we normally get about 29% and, as the hon. Member for Rhondda has rightly said, there is likely to be differential turnout throughout the country, which is likely to add to the confusion and the likelihood that the result of the referendum will not command respect and will be questionable. If the outcome does not command respect—if only 15% of those entitled to vote actually go out and vote for constitutional change—that result will be derisory and will mean that all future general elections under the AV system will be open to question. I have every confidence that the British people will have the sense to vote against AV, but just in case they do not—this is a serious matter—I put it to the House that if 15% or so of the population vote for a constitutional change that brings about a new AV system for elections to the House, the entire validity of our electoral system will be open to question and the very integrity of our democracy will be undermined.

Mr Harper: The amendments moved by my hon. Friends seek to specify certain thresholds. They are very different, as has emerged from the debate. The amendment tabled by my hon. Friend the Member for Stone (Mr Cash) would impose a simple turnout threshold. At least 40% of those entitled to vote would have to cast a vote, or the result would not be valid.

I should take this opportunity to put my hon. Friend right on the form of the alternative vote system that we propose in the Bill. I do not know if he was present for the debates that we had on it. His concern, I think he said, was that people would be forced to vote for all the candidates on the ballot paper, and if they did not, their vote would not be valid. He referred to some parties for which people would not want to vote. I can reassure him—

Mr Cash: I did not say that people would be forced to vote. I depended for my argument on the freedom of choice to decide that they might want to vote for only one person.

Mr Harper: I listened carefully to my hon. Friend. I think he said that if people chose to vote for only one person, their vote would then not count.

Mr Cash: No.

Mr Harper: Okay, but under our system of optional preferential, we are not forcing anybody to vote for anyone. Voters can vote for one candidate, all the candidates or any number in between, so the form of the alternative vote that we are putting to the electorate next year does not raise any of the concerns that my hon. Friend touched on. I am sorry if I overstated his argument.

The reason we have not specified a threshold in the Bill is, as a number of hon. Members said, that we want to respect the will of the people who vote in the referendum, without any qualifications. The argument against my

hon. Friend's amendment is that specifying a threshold for voter turnout—on this I agree with the hon. Member for Liverpool, West Derby (Stephen Twigg)—is that it makes every abstention effectively a no vote.

People may choose to abstain, but the amendment would create an incentive for people who favour a no vote to abstain. So people would not campaign, as they rightly should, for only yes or no votes in the referendum. We would have people campaigning actively for voters not to participate. We debated this a little on Second Reading, and as I said in my speech then, I do not think that is right. We need to encourage participation in the referendum. We want people to take part, and putting in a rule that encourages at least one side to campaign actively for voters not to take part would do our democracy a disservice.

I am not concerned as some colleagues are about what the turnout will be. As we have said in previous debates, both in Committee and in the House, there are elections for the devolved Administrations—for the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly—but there are also elections scheduled next year for 81% of England. The percentage turnout in English local elections varies, but it is usually in the mid to high 30s at least. I am confident that with the additional publicity and the awareness of the referendum, and the fact that it is an important decision, we will indeed get a good turnout.

Previous referendums in this country have either had good turnouts or, where the turnouts have not been that high, they have produced decisive clear results from the electorate, so I do not share that concern. We should not go against our tradition and practice in this country by setting turnout thresholds.

Let me now focus on the amendment tabled by my hon. Friend the Member for Epping Forest (Mrs Laing). She is right to say that it proposes a completely different, outcome-specific threshold. It is worth saying to colleagues on the Government Benches who support the Government's proposals and respect the coalition agreement that my hon. Friend's amendment is not compatible with what we set out in the coalition agreement, which was a simple majority referendum, without an outcome-specific threshold. Colleagues who are reconciled to a referendum being held should bear that in mind if they are tempted to vote for my hon. Friend's amendment.

Mr Chope: Does my hon. Friend realise the irony of what he has just said? The Liberal Democrat MPs required two thirds support for entering the coalition. Surely it ill behoves them now to suggest that we can change the constitution of this country on a much smaller vote?

Mr Harper: I do not think my hon. Friend's point holds a great deal of water. I think I am right in saying that the decision of the Liberal Democrats, although I am not an expert on their internal party mechanisms, was unanimous or almost unanimous. That does not take us an awful lot further forward.

Mrs Laing: I thank my hon. Friend for pointing out to me that I have made a mistake. I have said in the past that I respect the coalition agreement, and I would not go against it. I understand what he has just said about the exact terms of the coalition agreement and amendment 197. I therefore will not press that amendment to a Division this evening, as it would be inconsistent of me to do so—but of course I will then have to support my hon. Friend the Member for Stone (Mr Cash).

Mr Harper: I am grateful to my hon. Friend. I do not think I have ever been quite so persuasive with any of my arguments as to persuade one of my hon. Friends not to press an amendment. *[Interruption.]* I hear the opposition, so I shall put that one away and take it as a victory.

My hon. Friend the Member for Epping Forest made it clear to the House that she does not think that referendums should be compared to elections in any way, but it is worth saying to hon. Members that if we were to adopt a similar process for elections, the House would be spared the services not of the hon. Member for Rhondda (Chris Bryant) but of, among others, Mr Deputy Speaker's colleague the right hon. Member for Bristol South (Dawn Primarolo), the right hon. Member for Doncaster Central (Ms Winterton), who is the Opposition Chief Whip, and—most tragically of all for our side of the House—my right hon. Friend the Member for Haltemprice and Howden (Mr Davis), who in his by-election on 10 July 2008 sadly polled only 24.4% of the electorate. We on the Government Benches would be sadly lacking if we had been deprived of his services.

Mr Leigh: I am now totally confused. Generally, I find it is a big mistake to attend debates, because one gets tempted to vote against the Government. Is my hon. Friend the Minister saying that the amendment tabled by my hon. Friend the Member for Epping Forest (Mrs Laing) is contrary to the coalition agreement, but that the amendment tabled by my hon. Friend the Member for Stone (Mr Cash) is not?

Mr Harper: No, the amendment is not contrary to what is in the coalition agreement, but we do not agree with it, and I have set out clearly why. We do not, in this country, have a tradition of turnout thresholds. The one experience that we have had of an outcome-specific threshold was in a Scottish devolution referendum in 1979. That threshold was put there to deny Scottish devolution.

That leads us to the heart of the argument. My hon. Friend the Member for Epping Forest made it clear, as she has done throughout, that she was confident of the decision that the British people would come to—but then she said she wanted to introduce her amendment, just in case. My hon. Friend the Member for Stone, in a revealing response to an intervention from the hon. Member for Liverpool, West Derby, said that we should trust the people. That is an expression that I used in my Second Reading speech, and it is right.

There are different views in both parts of the coalition and in the Opposition parties, but whatever our views, we should not set artificial limits that encourage people not to participate in the referendum. Whichever side of the argument we are on, we should have the courage of our convictions. We should get the Bill—or the part of it that we agree with—on to the statute book, make our case, engage with the people, explain to them the rights and wrongs of the cases, and trust the people, as the hon. Gentleman said, to make the right decision, to come out and vote, and to make a clear decision. Then

[Mr Harper]

the House will be able to proceed. That is the best way, so I urge my right hon. and hon. Friends not to press their amendments—and if do they press them, I urge the House to vote against them.

Question put, That the amendment be made.

The House divided: Ayes 31, Noes 549.

Division No. 109] **[7.59 pm**

AYES

Baker, Steve
Brady, Mr Graham
Campbell, Mr Ronnie
Cash, Mr William
Chope, Mr Christopher
Cox, Mr Geoffrey
Davies, Philip
Dodds, rh Mr Nigel
Field, rh Mr Frank
Gray, Mr James
Hermon, Lady
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Howarth, rh Mr George
Laing, Mrs Eleanor
Leigh, Mr Edward
Lewis, Dr Julian
Mann, John
Morris, David
Percy, Andrew
Qureshi, Yasmin
Rees-Mogg, Jacob
Shannon, Jim
Shepherd, Mr Richard
Simpson, David
Simpson, Mr Keith
Stringer, Graham
Turner, Mr Andrew
Tyrie, Mr Andrew
Wollaston, Dr Sarah

Tellers for the Ayes:
Mr Peter Bone and
Mr David Nuttall

NOES

Abbott, Ms Diane
Adams, Nigel
Afriyie, Adam
Ainsworth, rh Mr Bob
Aldous, Peter
Alexander, rh Danny
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Amess, Mr David
Anderson, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Bailey, Mr Adrian
Bain, Mr William
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Barron, rh Mr Kevin
Barwell, Gavin
Bebb, Guto
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Bellingham, Mr Henry
Benn, rh Hilary
Benton, Mr Joe
Benyon, Richard
Beresford, Sir Paul
Berger, Luciana
Berry, Jake
Betts, Mr Clive
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackman-Woods, Roberta
Blackwood, Nicola
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Bradshaw, rh Mr Ben
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brennan, Kevin
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Browne, Mr Jeremy
Bruce, Fiona
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burley, Mr Aidan
Burnham, rh Andy
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Byrne, rh Mr Liam
Cable, rh Vince
Cairns, Alun
Cairns, David
Cameron, rh Mr David
Campbell, Mr Alan
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Caton, Martin
Chapman, Mrs Jenny
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clark, Katy
Clarke, rh Mr Kenneth
Clarke, rh Mr Tom
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Crockart, Mike
Crouch, Tracey
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davey, Mr Edward
David, Mr Wayne
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Geraint
Davies, Glyn
de Bois, Nick
De Piero, Gloria
Denham, rh Mr John
Dinenage, Caroline
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle, Gemma
Doyle-Price, Jackie
Drax, Richard
Dromey, Jack
Duddridge, James
Dugher, Michael
Duncan, rh Mr Alan
Dunne, Mr Philip
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellis, Michael
Ellison, Jane
Ellman, Mrs Louise
Elphicke, Charlie
Engel, Natascha
Esterson, Bill
Eustice, George
Evans, Chris
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Foster, Mr Don
Fovargue, Yvonne
Fox, rh Dr Liam
Francis, Dr Hywel
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gapes, Mike
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Gilmore, Sheila
Glass, Pat
Glen, John
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Greatrex, Tom
Green, Damian
Green, Kate
Greening, Justine
Greenwood, Lilian
Grieve, rh Mr Dominic
Griffith, Nia
Griffiths, Andrew
Gummer, Ben
Gwynne, Andrew
Gyimah, Mr Sam
Hain, rh Mr Peter
Halfon, Robert
Hames, Duncan
Hamilton, Mr David
Hamilton, Mr Fabian
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew

Hancock, Mr Mike
Hands, Greg
Hanson, rh Mr David
Harman, rh Ms Harriet
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harris, Mr Tom
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Havard, Mr Dai
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hepburn, Mr Stephen
Herbert, rh Nick
Heyes, David
Hillier, Meg
Hilling, Julie
Hinds, Damian
Hoban, Mr Mark
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunt, Tristram
Huppert, Dr Julian
Hurd, Mr Nick
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
Jackson, Mr Stewart
James, Margot
Jamieson, Cathy
Javid, Sajid
Johnson, rh Alan
Johnson, Diana
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Mr Marcus
Jones, Susan Elan
Joyce, Eric
Kawczynski, Daniel
Kelly, Chris
Kendall, Liz
Kennedy, rh Mr Charles
Khan, rh Sadiq
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lammy, rh Mr David
Lancaster, Mark
Lansley, rh Mr Andrew
Lavery, Ian
Laws, rh Mr David
Lazarowicz, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Leslie, Chris
Lewis, Brandon
Lewis, Mr Ivan
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lloyd, Tony
Llwyd, Mr Elfyn
Lord, Jonathan
Loughton, Tim
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Main, Mrs Anne
Marsden, Mr Gordon
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCartney, Jason
McCartney, Karl
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McIntosh, Miss Anne
McKechin, Ann
McKinnell, Catherine
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Meale, Mr Alan
Mearns, Ian
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Michael, rh Alun
Miller, Andrew
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Moore, rh Michael
Mordaunt, Penny
Morden, Jessica
Morgan, Nicky
Morrice, Graeme *(Livingston)*
Morris, Anne Marie
Morris, David
Morris, Grahame M. *(Easington)*
Morris, James
Mosley, Stephen
Mowat, David
Mudie, Mr George
Mulholland, Greg
Mundell, rh David
Munn, Meg
Munt, Tessa
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Murray, Sheryll
Murrison, Dr Andrew
Nandy, Lisa
Nash, Pamela
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
O'Donnell, Fiona
Offord, Mr Matthew
Ollerenshaw, Eric
Onwurah, Chi
Opperman, Guy
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Pearce, Teresa
Penning, Mike
Penrose, John
Perkins, Toby
Perry, Claire
Phillips, Stephen
Phillipson, Bridget
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pound, Stephen
Prisk, Mr Mark
Pritchard, Mark
Randall, rh Mr John
Raynsford, rh Mr Nick
Reckless, Mark
Reevell, Simon
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Reynolds, Jonathan
Rifkind, rh Sir Malcolm
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robathan, Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, John
Robertson, Mr Laurence
Robinson, Mr Geoffrey
Rogerson, Dan
Rosindell, Andrew
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Rudd, Amber
Ruddock, rh Joan
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Seabeck, Alison
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Sharma, Mr Virendra
Sheerman, Mr Barry
Shelbrooke, Alec
Shuker, Gavin
Simmonds, Mark
Skidmore, Chris
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Nick
Smith, Owen
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Soulsby, Sir Peter
Spellar, rh Mr John
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Straw, rh Mr Jack
Stride, Mel
Stuart, Ms Gisela
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Sutcliffe, Mr Gerry
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tami, Mark
Teather, Sarah
Thomas, Mr Gareth
Thornberry, Emily
Thurso, John
Timms, rh Stephen
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Trickett, Jon
Truss, Elizabeth
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vaz, rh Keith
Vaz, Valerie
Vickers, Martin

Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walley, Joan
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Watson, Mr Tom
Watts, Mr Dave
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whittaker, Craig
Whittingdale, Mr John
Wicks, rh Malcolm
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Chris
Williamson, Gavin
Willott, Jenny
Wilson, Phil
Wilson, Mr Rob
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and Stephen Crabb

Question accordingly negatived.

8.16 pm

Proceedings interrupted (Programme Order, 1 November).

The Deputy Speaker put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Schedule 2

RULES FOR CONDUCT OF THE REFERENDUM

Amendments made: 22, page 30, line 41, leave out 'regulations' and insert 'postal voting provisions'.

Amendment 23, page 31, line 8, leave out 'regulations' and insert 'postal voting provisions'.

Amendment 24, page 36, line 29, leave out 'regulations' and insert 'postal voting provisions'.

Amendment 25, page 48, line 15, leave out 'and Wales or Scotland'.

Amendment 26, page 48, line 17, leave out 'regulations' and insert 'postal voting provisions'.

Amendment 27, page 48, line 21, leave out 'regulations' and insert 'postal voting provisions'.

Amendment 28, page 48, line 26, leave out 'regulations' and insert 'postal voting provisions'.

Amendment 29, page 53, line 42, leave out 'regulations' and insert 'postal voting provisions'.

Amendment 30, page 56, line 38, at end insert—

'"the relevant postal voting provisions"

(c) in relation to England, means Part 5 of the Representation of the People (England and Wales) Regulations 2001 (S.I. 2001/341) as applied by Schedule 4 to this Act;

(d) in relation to Wales, means Schedule 3 to the National Assembly for Wales (Representation of the People) Order 2007 (S.I. 2007/236) as applied by Part 2 of Schedule 6 to this Act;

(e) in relation to Scotland, means Schedule 4 to the Scottish Parliament (Elections etc.) Order 2010 as applied by Part 2 of Schedule 7 to this Act;

(f) in relation to Northern Ireland, means Part 5 of the Representation of the People (Northern Ireland) Regulations 2008 (S.I. 2008/1741) as applied by Schedule 4 to this Act.'.—*(Mr Harper.)*

Schedule 4

APPLICATION TO THE REFERENDUM OF EXISTING PROVISIONS

Amendments made: 31, page 104, line 15, after 'Wales' insert 'or Scotland'.

Amendment 32, page 105, line 30, after 'referendum' insert '(subject to sub-paragraphs (3A) and (3B))'.

Amendment 33, page 106, line 5, at end insert—

'(3A) Part 5 of the England and Wales Regulations does not apply for the purposes of the referendum in so far as it is taken together with the poll for the Welsh Assembly general election under section 4(2).

(3B) Part 5 of the Scotland Regulations does not apply for the purposes of the referendum in so far as it is taken together with the poll for the Scottish parliamentary election under section 4(3).'.

Amendment 34, page 115, line 18, leave out 'In the England and Wales Regulations,'.

Amendment 35, page 115, line 22, leave out 'In the England and Wales Regulations,'.

Amendment 36, page 115, leave out lines 25 to 30.

Amendment 37, page 117, line 7, leave out 'In the England and Wales Regulations,'.

Amendment 38, page 117, line 27, leave out 'In the England and Wales Regulations,'.

Amendment 39, page 117, line 30, leave out 'In the England and Wales Regulations,'.

Amendment 40, page 117, line 34, leave out 'In the England and Wales Regulations,'.

Amendment 41, page 118, leave out lines 2 to 25.

Amendment 42, page 130, line 28, before 'For' insert—

'For "a parliamentary election" substitute "the referendum".'.

Amendment 43, page 132, line 7, at end insert—

After paragraph (4) insert

"(5) Where an envelope opened in accordance with paragraph (1) contains a declaration of identity (whether separate or not), the counting officer must place a mark in the marked copy of the postal voters list or the proxy postal voters list in a place corresponding to the number of the elector to denote that a postal vote has been returned.

(6) A mark made under paragraph (5) must be distinguishable from and must not obscure the mark made under regulation 76.

(7) As soon as practicable after the last covering envelope has been opened, the counting officer must make up into a packet the copy of the postal voters list and the proxy postal voters list that has been marked in accordance with paragraph (5) and must seal the packet."'.
(Mr Harper.)

Schedule 9

CONTROL OF LOANS ETC TO PERMITTED PARTICIPANTS

Amendment made: 180, page 276, leave out lines 12 to 16.—*(Mr Harper.)*

Schedule 10

THE ALTERNATIVE VOTE SYSTEM: FURTHER AMENDMENTS

Amendment made: 181, page 289, leave out lines 29 and 30 and insert—

(a) there are—

(i) two or more candidates with fewer votes than the others but an equal number to each other, or

(ii) three or more candidates, or remaining candidates, all with the same number of votes, and'. *(Mr Harper.)*

Third Reading

8.17 pm

The Deputy Prime Minister (Mr Nick Clegg): I beg to move, That the Bill be now read the Third time.

First, let me welcome the scrutiny that the Bill has now undergone. I know that there has been vigorous debate on all the Bill's provisions, which is only right for a measure of such importance not just to this House but to the people we represent. It was also right that we should spend eight days on the Floor of the House debating the Bill, and that the House should have the opportunity, which it has taken, to divide on the key provisions before it goes for consideration to the other place.

Pete Wishart (Perth and North Perthshire) (SNP) *rose—*

The Deputy Prime Minister: I should like to make a bit of progress.

The Bill has been amended during its passage through this House. The Government accepted the Electoral Commission's findings on the question—something that found support right across the House. The Bill also now includes detailed provision for the combination of the referendum with the other elections on 5 May, making the poll easier to run and allowing savings to be made.

Many Members have drawn attention to the constitutional importance of the changes that we propose: changes to deliver more equal constituencies, a House of Commons of reasonable size, and a referendum to give people a choice over their voting system. The Government recognise the significance of these measures. We also recognise that Members are not simply being asked to vote on these matters in the abstract, but that the changes have real consequences for Members of this House and for their constituents.

Thomas Docherty *rose—*

The Deputy Prime Minister: I give way.

Thomas Docherty: I am grateful to the Deputy Prime Minister, who has joined us for the first time after eight days of debate. Can he confirm to the House whether he read the Gould report personally before he picked the date of 5 May for the referendum?

The Deputy Prime Minister: I read reports of the Gould report. I did not read every single word of the Gould report itself, but I read enough to tell me that it conclusively showed that the problem with the combination of votes in Scotland arose because of the unique nature of the ballot papers in those local elections, which were extremely confusing to voters who were voting in two elections at the same time. By contrast, next May I think it will be uncomplicated for people to vote in devolved elections, in local elections in England, and on a simple yes or no answer to the referendum question.

Several hon. Members *rose—*

The Deputy Prime Minister: I would like to make a little progress.

At the heart of this Bill are some simple principles. It is right that constituencies are more fairly sized, so that the weight of a person's vote does not depend on where they live. It is right that we reverse the unintended trend that has seen this House grow in size and cap its membership at a more reasonable number. It is right for people to have their say on the extremely important question of which system voters use to elect MPs, and crucially, it is right that, at a time when people's trust in Parliament has been tested to destruction, we act to renew our institutions.

Mr Cash: I am most grateful to the Deputy Prime Minister for giving way and hope not to detach him too long from his speech. Would he be good enough to explain to me, in the light of the announcement earlier today on votes for prisoners, whether under the Bill prisoners who are currently disqualified from voting in parliamentary elections will be unable to vote in the referendum? Do the Government propose to change that to bring it into line with today's announcement?

The Deputy Prime Minister: As the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), explained this afternoon, we have made no decision on the matter other than to state the obvious point, which was first stated by the previous Government, that we will need to act in accordance with the law. We are still debating exactly how and when to do that, and we will make announcements as soon as we can.

I am sure I do not need to remind Members of the damage that was done by the expenses scandal, which lifted the lid on a culture of secrecy, arrogance and remoteness right at the heart of the democracy. The coalition Government are determined to turn the page on that political culture and give people a political system that they can trust. That is why we have set out a programme for wholesale political reform. We are starting with this Bill, which, through its commitment to fairness and choice, corrects fundamental injustices in how people elect their MPs.

Ian Lucas (Wrexham) (Lab): The Deputy Prime Minister makes the important point that we need to ensure that we reconnect with communities. How will the removal of public inquiries, and therefore of the right of individuals and communities to make oral representations on the most profound boundary changes for 150 years, reconnect Parliament with individuals and communities?

The Deputy Prime Minister: As the hon. Gentleman knows, the Bill provides for a significant extension—actually a tripling—of the time during which people can make written representations.

Ian Lucas *indicated dissent.*

The Deputy Prime Minister: The hon. Gentleman might shake his head and dismiss the idea of people making written representations, but they will not end up in the bin. They are an effective means by which people can make their views heard, and I am sure he will take up that opportunity if he wishes to.

Combined with our other reforms—fixed-term Parliaments, a new power of recall, and reform of the other place—the Bill will help us close the gap between people and politics, ensuring that our institutions meet expectations and are fit for a modern 21st-century democracy.

Mr Charles Walker (Broxbourne) (Con): I do not doubt the Deputy Prime Minister's sincerity, but he used to be very keen on reducing the number of Ministers in this place. Why is he not so keen on that measure now?

The Deputy Prime Minister: There may well be a case for looking at the number of Ministers when the size of the House of Commons is reduced, but that is not happening now. It would happen only in the next Parliament. We would need to keep it under constant review, and—dare I say it?—future Governments might wish to act upon that idea. I do not dispute at all the principle that as the Commons is reduced in size, so should the number of Ministers be reduced.

I understand that some Members continue to have specific concerns about the detail of the Bill. That was clear, for example, during the thorough debate on the date of the referendum. I know that Members from Scotland, Wales and Northern Ireland in particular continue to worry about the implications of combining different polls on 5 May, but I believe that our decision is right and that voters are able to distinguish between elections to local government or devolved institutions and a straightforward yes or no question on a completely different issue. However, the Government remain alive to the concerns and will continue to work with the Electoral Commission and administrators across the UK to help ensure that combined elections run smoothly.

Mr MacNeil: One of the major concerns about having elections on the same day is that the media, rather than the voters, may be unable to cope. We have all accepted, both in Committee and on Report, that that is where the difficulty lies. There is a problem with the registration of the yes and no sides of the campaign. How will that affect access to the media, particularly in the run-up to Scottish, Welsh and Northern Ireland elections? That is an important consideration.

The Deputy Prime Minister: As the hon. Gentleman knows, registered and designated organisations in the referendum campaign will have access to broadcast time. I do not see why that should make it in any way impossible for voters—they are the ones who count—to distinguish between their choices in the devolved elections and in the referendum contest.

Several hon. Members *rose*

The Deputy Prime Minister: Members are jumping up with great excitement, but if I can make a little headway I will give way in a minute.

On the boundary review, I recognise that some Members are nervous about the implications for the areas that they represent. We have taken those concerns seriously. For example, the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean, visited the Isle of Wight to meet people with views on both sides of the argument. However, the Government's view, and the position that has withstood sustained debate, is simple. Fairness demands constituencies that are basically equal in size. Of course the boundary commissions must have some discretion to vary from absolute equality to take account of local factors, and the rules set out in the Bill provide flexibility in that regard, but there can be no justification for maintaining the current inequality between constituencies and voters across the country.

Andrew George (St Ives) (LD): I entirely agree, of course, with the principle that we should have more equal constituencies, but not the regimentally and statistically equalised ones proposed in the Bill. That will create homogenised, pasteurised constituencies of bland uniformity. If the Bill returns from the Lords with amendments to establish a reasonable balance between equalisation and a recognition of tradition, culture and local authority boundaries, will the Government resist the changes?

The Deputy Prime Minister: I admire my hon. Friend's commitment to his constituency, of course, and he argues his case with great conviction, but I disagree with the characterisation of the Bill as an attempt to "pasteurise" constituencies. After all, one third of the Members in the House already represent constituencies within the size quota that we are setting down, so it is hardly a revolution. It is very much an evolution, building on arrangements that are already in place.

My hon. Friend talks about the rigidity of the constituency size set out, but there will actually be a 5% margin either side of an ideal size. As he also knows—I have discussed it with him previously—it builds on a provision already present in existing legislation. The Bill merely prioritises the matter in a way that is not currently the case. So no, we would not be minded to accept amendments that reopened the fundamental question of fairness and equality in how constituencies are drawn up.

I urge Members to remember that if the Bill passes, as I hope it does, it will be then that the real decisions on constituency boundaries begin. They will be up to the independent boundary commissions, and Members and communities will have plenty of opportunity to have their say.

Mark Tami: Does the Deputy Prime Minister not think his argument would be stronger if he did not make an exception for a certain number of seats in Scotland, to his own political advantage? They are being treated completely differently, and without the equal value that he pretends to believe in.

The Deputy Prime Minister: As the hon. Gentleman may know, two constituencies are treated differently from others. One is held by the Scottish National party. *[Interruption.]* No, two. The other one is a Liberal

Democrat constituency. Both constituencies have been recognised in previous regulations and legislation as having a unique status. I know that the hon. Gentleman has about 60,000 people in his constituency. *[Interruption.]* The Prime Minister himself has looked up the statistic, so we are talking about a very good authority. Other colleagues represent 20,000 more voters. Surely that cannot be right.

Several hon. Members *rose—*

The Deputy Prime Minister: Before apoplexy breaks out on the Opposition Benches, let me try to bring this to a close.

Where there has been a reasoned case for amendment, we have accepted the arguments and acted. The Bill is almost ready to go to the other place for further scrutiny, which will undoubtedly add to the debates that we have been having here. Before that, the Commons will have its final say tonight.

Mr David *rose—*

The Deputy Prime Minister: I will not give way, because I want to conclude.

The elected Chamber will, I hope, agree these extremely important changes to the very elections that put us here. Fair constituencies and choice for people over their voting system will prove unambiguously that the House of Commons is dedicated to real and meaningful reform, including of the very system that put us here.

8.30 pm

Sadiq Khan (Tooting) (Lab): I welcome the Deputy Prime Minister to the Parliamentary Voting System and Constituencies Bill. He may have missed the contribution made by the hon. Member for Epping Forest (Mrs Laing), who reminded us that the first and only time that he graced the Chamber with his presence was on Second Reading on 6 September 2010. He reminds us of Alfred Hitchcock in those classic films in which he has a walk-on part and then comes back at the end for a bow. However, unlike Hitchcock, the right hon. Gentleman brought a posse with him for fear of being lynched—lynched by either that lot, the Liberal Democrats, or that other lot, the Conservative Back Benchers, never mind us lot in the Opposition.

Ironically, the Deputy Prime Minister, who was so keen on this Bill and who directed it, has made no attempt to play a role in it. The real reason, of course, is that he is not the architect. The architect is his chum the Prime Minister, who has just walked out, now that he has seen that his friend is safe.

Dr Julian Lewis (New Forest East) (Con): As the right hon. Gentleman is less than overwhelmed by the prospect of this Bill, would he care to say which Hitchcock film he has most in mind? Is it "Vertigo", "Sabotage" or "Psycho"?

Sadiq Khan: It is all the films that have a bad ending. Most right hon. and hon. Members will agree—some publicly and others privately—that as things stand, this is a deeply unsatisfactory piece of legislation. It has its genesis in the party political horse-trading that characterised the coalition talks and which is all too evident. I remind the House and those in the other place of what this Bill means unless the other place overturns some of the clauses passed here: a referendum on AV on 5 May 2011, which was not in the manifesto of either of the coalition parties, so there is no mandate for it; a reduction of elected Members in this House from 650 to 600, which was not in the manifesto of either coalition party, so there is no mandate for it; the abolition of public inquiries for boundary commission proposals, which was in neither of the coalition parties' manifestos, so there is no mandate for it; holding the next general election with new boundaries based on purely mathematical formulae, save for two exceptions, of 600 seats, which again was in neither of the coalition parties' manifestos, so there is no mandate for it.

We will soon have before us a new Bill that will set in stone the date of the next general election—5 May 2015. Once again, that was in neither of the coalition parties' manifestos and there is no mandate for it. The Prime Minister and his chum, the Deputy Prime Minister, will sell these reforms in public as democratising measures that herald the dawn of a new politics. Behind closed doors, however, they offer a different rationale, as was revealed by the hon. Member for Cities of London and Westminster (Mr Field). On the day of Second Reading—the last time the Deputy Prime Minister came to this Chamber for this Bill—the hon. Gentleman said that

"the current proposals for AV and the reduction in number of parliamentary constituencies are being promoted by party managers as an expedient way to prevent our principal political opponents from recapturing office."—[*Official Report*, 6 September 2010; Vol. 515, c. 47.]

I know that the Whips have kept the hon. Gentleman out of the Chamber this evening.

This Bill is the product of a straightforward political bargain. In exchange for a referendum on the alternative vote, which the Conservatives opposed, the Liberal Democrats signed up to a review of constituency boundaries that the Conservatives favoured. As such, it has come to be regarded by the leadership as an unalterable document that must be accepted totally and unquestioningly.

Mr Brian Binley (Northampton South) (Con): Is all of this peroration meant to defend the 4.2% built-in bias for the Labour party in elections? Is that what this is about?

Sadiq Khan: The hon. Gentleman, who is a friend, has been absent for the past few days, and I am not quite sure what point he makes.

Sensible, neutral suggestions that have commanded support on both sides of the House, such as the proposal to ensure that the Executive do not grow disproportionately powerful as the legislature is reduced in size, have been dismissed. As any independent observer who has followed the passage of the Bill to date will readily admit, that unbending attitude deprives the Bill of the adjustments and improvements it sorely needs.

The scrutiny process has suffered from being rushed. It is a convention that major constitutional matters are debated here, but it is also a convention that they are given sufficient time.

Mr Cash: On constitutional conventions, is it not the case that in many countries, including ours, Bills of this kind are subject to thresholds because they ensure that enough people have voted? On the abstention argument,

[Mr Cash]

do the Opposition believe that people have a right not to vote? Otherwise, do they believe that voting ought to be compulsory?

Sadiq Khan: The problem with the hon. Gentleman's propositions is that the manifestos of neither coalition party contained any of the ingredients of the Bill, let alone thresholds. That is one reason why, like sheep, they have voted against proposals for more accountability, both in Committee and on Report. Any independent observer who has followed the passage of this legislation, including the Deputy Prime Minister, who might have had a chance to read some of the *Hansard* reports, will readily admit that that unbending attitude deprives the Bill of the adjustments and improvements it sorely needs.

Let me give some examples of Bills that have gone through the House with proper debate and scrutiny. The Government of Wales Act 1998 was taken on the Floor of the House and was the subject of more than 69 hours of debate. The Scotland Act 1998 was also taken on the Floor of the House and was the subject of more than 121 hours of debate before it left for the other place.

Albert Owen (Ynys Môn) (Lab): My right hon. Friend mentioned the Government of Wales Act 1998, which specified, subject to a referendum, that there would be no reduction in the number of Welsh seats until primary powers were devolved.

The Deputy Prime Minister *indicated dissent.*

Albert Owen: But that was the settlement given to the Welsh people, and the Deputy Prime Minister is driving a coach and horses through it with his Bill.

Sadiq Khan: We also did a novel thing in those days—Labour still does this now—of putting the things that we stand for in an election manifesto. Even if someone wins a popular mandate for that manifesto, they should ensure that there is proper debate and scrutiny on the Floor of the House. The coalition Government have a smaller majority than the previous Labour Government, but they have rushed the Bill through.

The Bill is more far-reaching than the Acts to which I referred, but there have been fewer than 40 hours of debate on it in the House before it goes to the other place. Day after day, colleagues on both sides of the House have been denied their wish to speak and deprived of the opportunity to make important points, and their speeches have been truncated when in full flow. The Liberal MPs on the Front Bench below the Gangway have had their mouths zipped because of the way in which the coalition Government have rushed the Bill through.

Simon Hughes (Bermondsey and Old Southwark) (LD): The right hon. Gentleman obviously has not quite understood that in a coalition, more than one party must be accommodated. The Labour party is not in the coalition. Can he be very clear whether Labour party policy is the same as it was at the election, which is to support the alternative vote? I am referring not only to the Leader of the Opposition, but the shadow Cabinet, Labour Members and the party as a whole.

Sadiq Khan: The deputy leader of the Liberal Democrats wants to start a new convention—have a manifesto, not win the election, get involved for five days in a shabby deal with the Conservative party, and reach an agreement for the sake of power rather than principle.

Mr Tom Harris (Glasgow South) (Lab): I am always happy to come to the aid of the Liberal Democrats when they, once again, get their facts wrong. The policy of the Labour party at the last election was to have a referendum on the alternative vote and to allow the people of this country to have a say, with Labour MPs campaigning on both sides of the argument.

Sadiq Khan: My hon. Friend is absolutely right. The point is what these arrogant Ministers have come to, after just five months, in this mother of all Parliaments. At a time when we are helping emerging democracies understand how democracy should work, we have a Bill that will change the voting system, reduce the number of MPs and change the way in which seats are distributed, all for the sake of political expediency and the coalition's calculations, rather than for principle.

For the avoidance of doubt, the Labour party supports the principle of more equal seats, but that objective could be met in a more balanced and practical way than proposed in the Bill. As things stand, the requirement for every seat to fit within 5% of a UK-wide electoral quota would see dramatic changes to long-established patterns of representation, but take no proper account of geography, history or community ties. The boundary commission secretaries said in evidence—I know that the Deputy Prime Minister does not like evidence, but I will give him some this evening—that

"the application of the electoral parity target is likely to result in many communities feeling that they are being divided between constituencies...and will result in many constituencies crossing local authority boundaries."

We will see the creation of seats that cross the Mersey, a "Devonwall" constituency that straddles the Tamar is inevitable, and then there is the Isle of Wight—a problem that called for the wisdom of Solomon has received the attention of the absent Hitchcock in the last few weeks. Against everyone's wishes, the island will be split in two, with 35,000 electors merged with constituencies in Hampshire, producing a ripple effect that will distort the composition of neighbouring seats for miles around.

We have suggested that several areas, including Cornwall, Anglesey and the Isle of Wight, should be allocated whole constituencies, to avoid these perverse outcomes. The Government have not listened. We advocated the compromise of a 10% absolute limit on disparity, which would provide more equal-sized seats while enabling factors such as geography and community to be taken into account. The Government have not listened.

The indecent haste of the changes will also create problems. To complete a review by October 2013, the boundary commissions have been instructed to use the December 2010 electoral register, from which more than 3.5 million eligible voters are missing, as the foundation for the constituencies redesign. As the missing millions

are mostly younger, poorer people predominantly located in urban areas, the calculations are bound to produce a distorted electoral map.

To compound everything, the Bill abolishes the right to hold local inquiries into boundary commission recommendations. Even critics of the inquiry process have questioned that decision, asserting that if there was ever a boundary review for which inquiries will be needed, this is it. But the Government will not listen, because consulting the public would mean delaying their politically driven timetable, designed to damage Labour's electoral standing.

Combining the referendum with other polls next May is also clearly wrong. It increases the risk of administrative chaos and the potential for spoiled ballots. It will also cause problems with expenses, the media and the electoral rules, as other hon. Members have pointed out.

Geraint Davies: On the issue of corrupting the democracy of the Welsh Assembly and the evidence of the Select Committee, does my hon. Friend accept that Wales is a nation of 3 million people set alongside a nation 17 times its size? Wales is also exclusively reliant on a funding stream from England. The Select Committee essentially said that there will be profound constitutional consequences for the whole of the UK if this Bill is railroaded through and the democratic mandate from Wales is reduced by a quarter. We are here to be the voice of Wales, and this is a slap in the face for the Union and for Wales.

Sadiq Khan: If my hon. Friend thinks that the Deputy Prime Minister—the great reformer—has read the report of the Welsh Affairs Committee, I am afraid that he is mistaken. The Deputy Prime Minister has not even read Ron Gould's report or been present in the Chamber since 6 September, so the idea that the Government will take into account any of the evidence is nonsense.

Mr Alan Reid (Argyll and Bute) (LD): The right hon. Gentleman mentions the Gould report. The problems in the Scottish elections in 2007 were caused because the Labour Government decided to have a ballot paper on which people had to put two crosses in two separate columns. If he had read the Gould report, he would know that that was what caused the problem. In this case, there will be three ballot papers and people will have to put an X on each of them. That is far simpler. Clearly he has not read the Gould report.

Sadiq Khan: The hon. Gentleman is making the same mistake that the Deputy Prime Minister made, which is not to have heard the comments made just an hour ago by my hon. Friend the Member for Rhondda (Chris Bryant) on the same point. What the hon. Gentleman has described is not the reason why we object to the referendum and the elections being held on the same day. He really must do a service to his constituents, bearing in mind that they will suffer huge consequences, by listening to the evidence and listening to the debate. The other problem with having a referendum on the same day as national elections and council elections outside London is the differential turnout. Irrespective of the result on 5 May 2011, and whichever way the vote goes, there will be questions about the legitimacy of that vote because of differential turnouts. Who is to blame for this? The Deputy Prime Minister, the great reformer.

Labour supports a referendum on AV and agrees with the principle of creating more equal seats, but this Bill is a bad means of delivering both objectives. It is too inflexible and too hasty, and it will lead to great and ongoing political instability. This House has failed to improve the Bill because it has not been allowed to do so. To our shame, that task now falls to unelected peers in the other place, whom we must now rely on to inject some democratic principles into what, to date, has been an inglorious episode in recent parliamentary history.

8.47 pm

Mrs Laing: We have had many, many hours of debate on this Bill—not enough, some would argue. Unfortunately, there are parts of the Bill that have not been reached and not been examined, for various reasons. The other day I found a quotation in one of those amusing books that said: "Laws are like sausages. It is better not to see them being made."

Kevin Brennan: Bismarck.

Mrs Laing: I believe it probably was Bismarck. If ever that were true, it is true of this Bill. However, this is also a necessary Bill. I said at the beginning that I appreciated why we had to have it and that I would support it, and I will continue to do so.

The Select Committee on Political and Constitutional Reform did its best, on a rushed timetable, to perform what legislative scrutiny of the Bill we could. On behalf of the Committee, let me say that I hope that our reports and investigations, and the evidence that we have made available to Members has been useful in informing some of the debates that have taken place. While mentioning the Committee, let me say that the Chairman, the hon. Member for Nottingham North (Mr Allen), will be sad to have missed this part of the proceedings on the Bill, just as he has had to miss many of the Committee's sittings, because he has been unwell. I am sure that the House will join me in wishing him a speedy recovery, although he is not seriously ill, so I believe that he will be back soon—it is okay, I should tell Opposition Members that he will not be missed for too long. The Committee has done its best to help the House to consider this Bill properly.

The second part of the Bill is excellent—the hon. Member for Rhondda (Chris Bryant) will not be surprised to hear me say that. It is correct that we should at last grasp the difficult nettle of the composition of the House of Commons. It is correct that we should reduce the number of Members of Parliament to the perfectly round and reasonable figure of 600. It is correct that this House and this Parliament should make that decision, as it is doing this evening. It is also correct and inarguable that every constituency in the United Kingdom, whether in Scotland, Northern Ireland, England or Wales, that sends a Member to this United Kingdom Parliament should be of equal size.

Chris Bryant: Apart from two.

Mrs Laing: The hon. Gentleman knows that I disagree about the two. It is a pity about the two.

Jonathan Edwards: Does the hon. Lady recognise that historically there has always been a weighting in favour of the Celtic nations to ensure that we do not have an England-dominated Parliament?

Mrs Laing: No, I certainly do not. The hon. Gentleman's point has no validity whatever. This is the Parliament of the United Kingdom—of the whole United Kingdom—and every constituency in this United Kingdom should be of equal size and should have an equal number of voters. Every Member who is elected to this Parliament should come here with an equal weight of electorate behind them.

Phil Wilson (Sedgefield) (Lab): Now that we must give votes to prisoners, will we have to have equal-sized prisons?

Mrs Laing: Mr Deputy Speaker might say that that point is not relevant to this Bill. It is not for me to argue the matter. I do not want prisoners to have the vote, but that is not the point at issue. The Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper) gave perfectly good responses to that this afternoon.

Labour Members have produced all the little arguments they can possibly think of to try to preserve the current unfair imbalance in constituency structures that gives the Labour party an unfair electoral advantage. Every statistic shows that, and it cannot be argued against because it is a matter of simple arithmetic. It is not a matter of opinion; it is a matter of fact—*[Interruption.]*

Hon. Members say, "gerrymandering", but the gerrymandering was done by the last two Boundary Commissions under the then Labour Government. Of that there is no doubt whatever.

Chris Bryant: The hon. Lady has no evidence.

Mrs Laing: I certainly have evidence, and it is sitting in front of me now. The fact is that in a modern, properly constructed democracy one vote should have one value.

Sadiq Khan: Does the hon. Lady think a system that is not subject to a public inquiry is more or less likely to lead to gerrymandering?

Mrs Laing: No. I think the point is incompetent. We debated it at great length last night, and the fact is that public inquiries are not necessary. It is necessary to have a certain amount of time for consultation, and that is provided in the Bill. We do not need long, drawn out public inquiries when political parties spend weeks and months arguing spuriously about old-fashioned boundaries and traditions, and about hills, mountains and rivers, when they are concerned only about the number of Labour voters or Conservative voters who are likely to be in a constituency. Labour Members should have the courage to face up to a fair democratic system, and that is what the Bill will introduce.

Julie Hilling (Bolton West) (Lab): Is the hon. Lady aware that in 2005, when Greater Manchester reviewed 28 constituencies, the public inquiry took three weeks, not months—no longer than three weeks?

Mrs Laing: Yes, I am aware of that, but it does not change my argument one tiny bit. The fact is that the Bill provides for a much fairer and equal system with one vote, one value. Equality is all that matters.

Ian Murray (Edinburgh South) (Lab): The hon. Lady has said a lot about fairness. Does she think it is fair to pack the House of Lords with more Members in order to force this legislation through?

Mrs Laing: I assume that the hon. Gentleman is referring to the acts of the last-but-one Prime Minister, Tony Blair, who packed more members of the Labour party into the House of Lords than any previous Prime Minister had done. And no, I do not think it is fair, but that is not relevant. I am sure that his party will be pleased to hear his criticism of its hero, Mr Blair.

I have had more difficulty in supporting the first part of the Bill, although it is obvious that we have to have a referendum because it is part of the deal done between the two parties in order to form the coalition agreement. We need a coalition Government in order to give the country the stability that we require to deal with the horrific economic circumstances left behind by the last Labour Government.

Dr Julian Lewis: I am sorry to make an unhelpful intervention on my hon. Friend, whom I greatly admire, but my understanding of a deal for a coalition Government is that when a bargain is made, both sides stick to it. That is why I voted for this Bill on Second Reading, despite my objections to it. Subsequently, however, the part of the bargain that induced me to endorse the deal—namely, the fact that we were told that the Liberals would accept the renewal of the Trident strategic nuclear deterrent—was dishonoured. That is why I shall be voting against the Bill on Third Reading.

Mrs Laing: My hon. Friend makes a very good point, but it does not change my arguments about the Bill. I appreciate his point, but I still say that we should have a coalition in order to provide the stability that the country needs in the aftermath of Labour's economic disasters. It is therefore necessary to have this Bill and to have a referendum.

It is a great pity that the referendum is to be held on the same day as other elections. We have heard many very well put arguments, particularly from Members from Scotland, Wales and Northern Ireland, about why the referendum should not take place on the same day as their national elections. Nor should a referendum go ahead without a threshold. That could result in a vote on a derisory turnout of some 15% changing our constitution. That is quite simply wrong, but I realise that the Government are not going to accept that argument because, once again, these provisions are in the coalition agreement, by which we are bound.

Kevin Brennan: Does the hon. Lady acknowledge that the date of the referendum is not set in stone in the coalition agreement, and that it is simply a part of the Bill? Does she also agree that the Deputy Prime Minister's desire to maximise the chances of winning the referendum by holding it on that date could well backfire on him, because of the manner in which the Bill is demotivating many of us who are in favour of electoral reform but

who have consistently been appalled by the way in which it has been railroaded through, against the wishes of the devolved Administrations?

Mrs Laing: Yes, I entirely accept the hon. Gentleman's point. He is totally correct. The fact is that some of us have tried, in all good faith, to improve the Bill, but we have failed to do so. On those matters of principle, we now have a Bill in more or less the state that it was in when it first came to the House. I must not presume what might happen in another place, but let us assume that we will now have to go ahead with a referendum on the same day as the elections in Scotland, Wales and Northern Ireland and some local elections in England. The turnout for the referendum could be derisory, so it would not have much validity. However, I am now sure of one thing, and the hon. Member for Cardiff West (Kevin Brennan) has just reinforced my point. As this argument has gone on in the country and the media over the last few months, it has become clear—and it will become even clearer—that the British people will not be duped into voting for a voting system that is representative neither of a fair first-past-the-post system, nor of the sort of proportional representation seen in some countries, which I do not like, although I agree it has some validity. The system we will be voting on will be neither one nor the other—and I do not believe that the British people with their good sense will vote for it.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Is the hon. Lady—*[Interruption.]* Wonderful? Yes, she is wonderful, but is she aware that there is no popular mandate for this referendum? It was not in the Liberal Democrat manifesto—the Liberal Democrats wanted to push this through without a popular referendum and to impose this on the British people—and it was not in the Conservative manifesto either. Does the hon. Lady think that the other place might well regard this commitment as having no validity in terms of a democratic mandate?

Mrs Laing: Yes, the hon. Gentleman is absolutely correct: there is no democratic mandate for this referendum—none whatever. If the proportion of votes cast for the Liberal Democrats in the UK as a whole during the general election in May this year were mirrored in the referendum, there would be no problem defeating the yes vote. The referendum would fail and we would be able to continue with our good, historic, solid, decent first-past-the-post system, which has served us so well for centuries.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Will the hon. Lady give way?

Mrs Laing: No, I must not; I have already taken up too much of the House's time and there is not much of it left this evening.

This Bill could have been better, but it goes some way to improving our democracy, so I encourage hon. Members to support it.

9.2 pm

Mr Nigel Dodds (Belfast North) (DUP): I will be brief, as other Members want to contribute. The speeches this evening and other speeches in Committee and on Report have shown that this is a highly politicised issue and a highly politicised debate. When we debate changes to the voting system, major constitutional change and changes that affect the boundaries of constituencies, an attempt is usually made at least to reach some cross-party consensus. It is sometimes done through the procedure of a Speaker's convention, for example.

Given the rhetoric of the Government parties before the election, one would also have hoped for some pre-legislative scrutiny and the proper involvement of the parties representing all regions and areas of the United Kingdom. Instead, a Bill has been cobbled together, and elements of it have received no mandate—and no mandate has even been sought in respect of them. As a result, we are in this divisive situation, in which the Government are ramming the Bill through without agreement and without consensus. That is no way to deliberate and it provides no basis for making decisions on the future composition of this House—or indeed for deciding how people should vote for Members of this House in the future.

Despite what the Deputy Prime Minister has said and despite what other Ministers—they have struggled manfully to deal with these issues—have done, it is clear that a lot of the opposition to the Bill has come from Conservative Members behind the Government Front Bench, not just from Opposition Members. From a Northern Ireland perspective, I have to say that the respect agenda that has been much talked about has not been much in evidence on this issue. Eloquent words on Wales and Scotland have already been spoken, but as far as Northern Ireland is concerned, the alteration of the Northern Ireland parliamentary boundaries has a direct impact on the Northern Ireland Assembly boundaries—they are one and the same. Those changes will happen every five years. The Deputy Prime Minister seemed to suggest that they will not happen, but given that there will be a boundary revision every five years, and given the changes in registration and the number of votes allocated to different countries and regions, it is inevitable that there will be changes in the boundaries. That will have a direct impact on the make-up of the Northern Ireland Assembly, which has multi-Member constituencies.

We have all gone through an long period during which we tried to reach a political settlement in Northern Ireland. Thankfully, we have made enormous progress. We have a reasonably, or relatively, stable political set-up, although of course challenges and difficulties remain. However, we risk upsetting that political equilibrium—that consensus—with this measure, which, as I have said, will have a direct impact on the Northern Ireland Assembly. Moreover, all this has happened without any prior consultation with the parties or the Executive in Northern Ireland. I believe, and any objective observer would believe, that that consultation should have taken place.

Jim Shannon (Strangford) (DUP): Does my hon. Friend agree that the proposed boundary changes, and the continual changes that will follow, will lead to instability and uncertainty, and that that in itself does not augur well for the political process in Northern Ireland?

Mr Dodds: I entirely agree with my hon. Friend. He has experience of these matters, having been a Member of the Northern Ireland Assembly until recently.

[Mr Dodds]

The Deputy Prime Minister said that, as well as the changes in the Bill, the Government would introduce reforms of the House of Lords. While I welcome the proposals for House of Lords reform, I am mystified by the fact that the Bill is being rushed through without our seeing any of the details of those proposals. If the Government wish to make changes to the political system and make democracy more accountable and transparent, why do they not introduce all their reforms at once? Why can we not see the details of what will happen to the other place, as well as what will happen to the voting system and membership of the House of Commons? We have been given no explanation, other than the obvious explanation that this is being done entirely for reasons of political expediency and—as suggested by the hon. Member for Epping Forest (Mrs Laing)—to keep the coalition agreement alive.

It is outrageous that the Government have done away with the proposals for local public inquiries taking oral evidence. That would have allowed people to become involved in the process, to be interrogated on their evidence, and to be cross-examined. It would have enabled communities to have an input. We will experience the most sweeping changes in boundaries that we have experienced for decades, and Northern Ireland in particular will experience the impact of those changes. That is outrageous and wrong, it should be reviewed, and, at the very least, people should be allowed to have their say at local level.

Like other Members, I sincerely hope that if the Bill is railroaded through in the absence of cross-party consensus, another place will consider it extremely carefully, and will reach some wiser and more sensible decisions.

9.8 pm

Mr Charles Walker: I shall be brief, Mr Deputy Speaker.

I could have just about brought myself to vote for the Bill, but for the fact that once again it plays into the hands of the Executive. Once again, we see the Executive seizing more powers at the expense of Parliament. The House will be reduced to 600 Members of Parliament, while the Executive will remain as large as it is now.

I really did think that we had learned our lesson in the last Parliament. I really thought that, after 100 years of giving powers away, we might do things differently in this Parliament. I now wonder what on earth is the point of being a Member of Parliament in this place. Only three hours ago, we were informed that prisoners would be given the vote. We would not have a say in it; it would be done over our heads.

Tonight, my constituents have every right to ask, "What is the point of Charles Walker? What is the point of having elected representatives?" This is an appalling state of affairs. Once again, we are increasing the powers of the Executive at the cost of Parliament, and we deserve absolutely no sympathy. Whatever befalls us over the next four years as Back Benchers, we will have brought it on ourselves. However, I say to new parliamentary colleagues in particular that it is very difficult to vote against this Bill, because their political virility will be measured by whether or not they become a Minister, and if they do not become a Minister they do not get the extra money, the car or the red box, and when they leave this place as a humble Back Bencher there will not be people queuing up to offer them jobs because companies want only politicians who have had the red box to serve on their boards. I therefore say to any Back Bencher who votes against this Bill tonight, "You are extremely brave, and if you do vote against the Bill you, like me, won't have a career going forward, but you will have my undying admiration."

Peter Bottomley (Worthing West) (Con): On a point of order, Mr Deputy Speaker. The facts show that those who rebel against their own party are more likely to become junior Ministers than those who do not.

Mr Deputy Speaker (Mr Lindsay Hoyle): I thank the hon. Member for that clarification, but it was not a point of order. Have you finished Mr Walker?

Mr Walker: I think I have, Mr Deputy Speaker.

Several hon. Members *rose—*

Mr Deputy Speaker: Order. Many Members want to speak, and I want to call as many of them as possible. If Members are as brief as Mr Walker was, I am sure we will hear from a lot of colleagues.

9.11 pm

Huw Irranca-Davies: I will abide by your dictum, Mr Deputy Speaker.

It is a great privilege to follow the hon. Member for Broxbourne (Mr Walker) and the right hon. Member for Belfast North (Mr Dodds). The hon. Member for Foyle (Mark Durkan) and many other Members both from England and the regions have spoken extensively in the debates in opposition to the Bill for various reasons.

Let me say at the outset that I commend the Minister. I say to the Deputy Prime Minister that he should be proud of a Minister who, under fire, has completely resisted any suggestions, alternative ideas or possibility that there might be any other logic to adopt for the way forward. The Minister has done very well in that respect.

There is a difficulty in that position, however, and it involves a fundamental point of principle. I agree that equalisation is a real issue, but I honestly thought that Liberals and Conservatives understood not only this Parliament and the Union, but also the slow evolution of the Union. Issues to do with the Union have been approached incrementally by and large. Successive Government of Wales settlements, and Northern Ireland and other settlements, have been very sensitively engineered and calibrated in order that the Union is strengthened.

I am a strong Unionist, and my fear in respect of this Bill is not as the Member for Ogmore, although I know that under the maps for these proposals my constituency disappears—and I am sure it is only a coincidence that it has the biggest absolute majority of any constituency in Wales. I can take that on the chin, however.

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): You've only got 52,000 voters!

Huw Irranca-Davies: The hon. Gentleman says I have a certain number of voters. What he and his Government colleagues are doing in the Bill is reductively defining parliamentary democracy as

$$\frac{U}{598.}$$

It states:

"In this Schedule the 'United Kingdom electoral quota' means—

$$\frac{U}{598}"$$

I say to the hon. Gentleman and all his colleagues that this is the ultimate constitutional fetishism, because all those individuals are people who have an identity with the community.

As people in Cornwall and Devon have recognised, one of the defining characteristics of this whole debate is that there are areas where people strongly identify not only with their region, but the locality. There is a Welsh word that the hon. Member for Brecon and Radnorshire (Roger Williams), but not many other Members, will recognise. "Hiraeth" is difficult to translate, but it means longing and identity with a place, a people, a community. My constituents will be deliriously happy to know that that can be dissolved down to the formula

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A Member on the Government Benches asked what was the point of his being here in Parliament and what was the point of his identifying with his area, and he is right to ask those questions. Why is one of the key figures decided on in the Bill 95% to 100% with no variation? Why do the Bill's provisions display a singular inability to recognise the diverse nature of the United Kingdom, except in two or three specific instances?

Disraeli has been mentioned in our debate. When Disraeli was in a heated discussion with Gladstone across that Dispatch Box and was being defeated by the incessant logic being deployed he told him not to desist in the fanatical application of his sterile logic. That is what we are confronted with here, and I genuinely hope that when this Bill goes to the other place they who have a respect for our constitution, our devolution settlement, and the role of this Parliament and of elected representatives will stop this in its tracks, because our electorate—the people we represent—deserve a lot more.

9.15 pm

Mr Alan Reid (Argyll and Bute) (LD): The Bill is a compromise brought about by the coalition agreement and it contains two different parts: the AV part, which I wholeheartedly support; and the part about reducing the number of MPs and imposing the 5% straitjacket. I am perfectly supportive of reducing the number of MPs, but I have difficulties with the 5% straitjacket.

Tristram Hunt *rose—*

Mr Reid: The Deputy Speaker has asked for short speeches, so I will give way only once.

Tristram Hunt: Will the hon. Gentleman explain the rationale behind the choice of 600 Members, given that the Liberal Democrat manifesto proposed 500 and the Tory manifesto proposed 585? What was the thinking process involved in getting to 600?

Mr Reid: The Liberal Democrat manifesto's proposal for 500 Members was based on the assumption that the single transferable vote system would be used—our proposal was combined with that. Coalition involves compromise, and I was not present at Chequers when the Deputy Prime Minister and the Prime Minister negotiated the fine points of this Bill. The coalition agreement said that there would be

"fewer and more equal sized constituencies."

So there was no need to go for this 5% straitjacket.

This country is fortunate in having an independent Boundary Commission, which in the past has always acted truly independently and has never been subject to political influence. We should be grateful for that and we should give more powers for flexibility to our independent boundary commissions. In the Bill, the 5% straitjacket is not an absolute principle because, as has been pointed out, there are some exceptions. There is an exception for islands, and I support that. It is perfectly right that Orkney and Shetland and Na h-Eileanan an Iar should have their own constituencies. However, I also draw the Government's attention to the fact that other constituencies contain islands, for example, the Isle of Wight and Anglesey. My constituency contains 13 islands that can be accessed only by ferry or air, which compares with the three in the Western Isles. My constituency has four times as many islands as the Western Isles, twice the land area and three times the size of electorate, so I would hope that we could have some more flexibility.

Elsewhere, on the highland mainland, the Government have introduced the 13,000 square kilometre rule. It will not result in the creation of any constituency that is more than 5% under the quota. What it will do is create three strange constituencies, because in order to get both within the quota and under the 13,000 square kilometre rule the Boundary Commission will have to create three strange constituencies, each containing a part of Inverness. One will comprise one part of Inverness and will go all the way up to Cape Wrath. Another will contain a part of Inverness and will go all the way west to Skye. A third will contain a part of Inverness and will go south and east. Those will be three strange constituencies and there is little community interest for them. We are supposed to be representing communities, but there is very little community link between somebody on the north-west of Sutherland and somebody in Inverness. I hope that this part of the Bill will be re-examined in the House of Lords and the Government will be amenable to accepting amendments that will give the Boundary Commission a bit more discretion. We are fortunate in having an independent Boundary Commission, and we should give it more discretion.

9.19 pm

Steve Rotheram (Liverpool, Walton) (Lab): It has been a long seven-and-a-half-hour wait and I did have a 10-minute speech, but I shall cut that down as much as possible. It is obvious to anybody of independent mind that this legislation is being pushed through with unseemly haste, although perhaps not so quickly that the manifold flaws, inconsistencies and illogicalities in part 2, with its utterly arbitrary "reduce and equalise" agenda, have not been suitably identified and exposed.

[Steve Rotheram]

I would write it all off as incompetence, were it not for the Government's wilful refusal to make improved voter registration a priority and precondition for reform, their reluctance to make a commitment to an appropriate and proportionate reduction in Cabinet posts and their determination to leave common sense out of the boundary review process, which will reduce constituencies to little more than arithmetical units.

As always—I make no apologies for this—I am particularly concerned about the ramifications for Merseyside. The sub-region has coped well in the face of the recession, but analysts suggest that it is likely to be extremely and disproportionately hard hit by the Government's slash-and-burn policies. However, at a time when the people of Merseyside will increasingly be looking towards their MPs to fight their corner, the sub-region looks set to lose at least two parliamentary seats. That puts paid to the myth that lofty ideals, social conscience and progressive thinking underpin the Government's electoral reform agenda.

Let me, if I may, jump on the number-crunching bandwagon for a couple of minutes. Currently, my constituency—Liverpool, Walton—has one MP for 89,732 citizens or 62,612 registered voters. In the year—*[Interruption.]* Someone is questioning the figures, but I live there. In the year of the constituency's creation, 1885, the population of Liverpool stood at about 614,000 and the city was split into no fewer than nine parliamentary divisions. That equates to one MP for every 68,228 citizens, but—note—for far fewer registered voters, given that, among other things, women had not yet achieved suffrage. Had the registered electorate in Walton represented 69.8% of the constituency population, as it does now, John George Gibson MP, the first Member for Liverpool, Walton—a Tory, no less—would have represented only around 47,000 registered voters. In reality, the electorate minus women represents a smaller percentage of the Walton population, and thus the figure would have been considerably lower—perhaps 24,000.

This is not just about numbers. It is true that the composition of parliamentary seats back in the 19th century was arguably as arbitrary as it is now, so I am not for a minute suggesting we use any point in history as a blueprint, but let me tell the House why that example from our local history is important and matters. The Government intend every MP to represent an electorate of at least 72,000. Leaving aside the issue of non-registration, which further skews the figures, what equips a 21st-century MP, in these complex times, to represent three times as many individuals as his or her Victorian predecessor? What is progressive about a modern-day voter having approximately a third of the democratic clout of his or her ancestor?

Equally illogical and disingenuous is the so-called "equalise" agenda. I struggle to understand how numerically homogenising seats has anything to do with "fairness" or "equality"—those much vaunted and abused buzz words of the coalition Government. On the face of it, my constituency would appear to be pretty evenly matched with that of the Bill's chief flag bearer, the Deputy Prime Minister. Their populations are similar and their registered electorates both stand around the 60,000-plus mark, falling short of the 72,000 lower limit proposed by the Government, but that is where the similarity ends. In my constituency fewer than 9% of the population are graduates, whereas in Sheffield, Hallam 35.6% of the populace have graduated from university. In my constituency, 32% of households have no central heating or private bathroom; in Sheffield, Hallam the figure is 4%. In my constituency, 45% of adults have no qualifications at all, whereas in Sheffield, Hallam only 17% of adults are disadvantaged in that way.

I have another major concern. In the most recent periodic boundary review there were absurd suggestions about Merseyside, including one for a constituency straddling the River Mersey. Fortunately, that did not come to pass, but an expert recently concluded that

"the spectre of a cross-Mersey seat would rise again"

under the proposed legislation. In July I asked the Deputy Prime Minister for assurances that the River Mersey would be recognised as a natural boundary, to which the Minister responsible for political and constitutional reform, the hon. Member for Forest of Dean (Mr Harper), gave a decidedly evasive reply. He passed the buck to the Boundary Commission but stressed that the "electoral quota" requirement would take precedence. That paves the way for all manner of insensitive, inappropriate and impractical boundary changes on Merseyside and elsewhere that will result in even greater political confusion and disaffection than already prevails.

Part 2 of the Bill is based on a version of reality that is quite at odds with the reality on the ground. It presumes a politically engaged electorate, and that the average voter is indignant that his or her vote might be statistically worth a fraction less than the vote of a counterpart elsewhere in the country. It implies that granting votes parity and thus achieving democratic equality will somehow render life in Britain more equitable and fair. But the "Animal Farm" argument that we are all equal, but some are more equal than others, will not wash. More than 3.5 million people in England and Wales alone are not even registered to vote, and most people do not fret about the statistical weighting of individual votes.

Ms Bagshawe: Will the hon. Gentleman give way?

Steve Rotheram: No; I am short of time and I am being encouraged to hurry up, so I am trying to speak as fast as I can.

The reality is that millions of voters in many constituencies do not have the luxury of dwelling on their democratic parity with their peers elsewhere: they are too busy simply trying to stay afloat. They approach their MPs for practical support, guidance and intervention more than they do for high-minded ideological representation. There is nothing equal or fair about this reality, and the proposed constituency changes, which are unwarranted, ill-conceived, poorly evidenced and politically pernicious, will do nothing to address it.

9.28 pm

Mr Shepherd: The only question that has really worried me in the middle phase of my parliamentary career is the extent to which the constitution has changed in my time in this place. This Bill represents the old politics as we know them, and it is extraordinary for those whom we represent to hear the expression "new politics" while the same old methods, the same old tricks, the same old

imposition of will and the same number of guillotines pour out of the Executive. That is rich, because it happens each time the House changes. The right hon. Member for Tooting (Sadiq Khan) has made the most important point of all in the old discourse: all this has no mandate. No one in the electorate has expressed a view on it, and no one even raised it with many of us during the course of the general election.

I pay tribute to the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper) for carrying this Bill. I have never been present during deliberations on a Bill when its protagonist or originator does not deign to attend the Commons—[Hon. Members: "Hear, hear!"] No, let us get to the point: not only that, but he is incapable of making the argument for it. We have been left with my hon. Friend the Parliamentary Secretary having to refer to the coalition agreement—the image of gold. There will be some in the house who remember the story of Nebuchadnezzar, Shadrach, Meshach and Abednego. They created an image of gold. And what is the image of gold? It is the coalition agreement. It did not serve them right, and it does not serve us right.

My question is, as always on constitutional matters: in what way does the Bill enhance the position of the electorate vis-à-vis representation in the Commons and the Executive? I do not find that the Bill enhances that in any way. In fact, it goes out of its way to ensure that that is not enhanced. It reduces the number of elected representatives, for a start. That, as has been pointed out by my hon. Friend the Member for Epping Forest (Mrs Laing), means that the influence of the Executive vis-à-vis the Commons as a whole is increased.

Behind that, as we know, there are more captured people than merely those who aspire to the Executive. There is the Opposition, with their regiment of Whips and those who are expected to follow their own parties into the Lobby. There are very few independent souls in the House, and we have heard them in the course of the discussion of the Bill. That is the one good thing about the Bill.

I do not recall a Minister who has so cavalierly dismissed his responsibilities to the House—*[Interruption.]* I do not want to over-emphasise that point, but the country should know that we have never had such a poor demonstration on a major constitutional Bill. Furthermore, this was as guillotined a Bill as we could arrive at. We had what we now politely call a timetable motion—No. 4, only yesterday. That is the way the passage of the Bill has been run.

Hundreds of amendments have been pushed in because the Bill was incomplete and not thought through. The consequences were not weighed. How could they be weighed? The Minister leading on the Bill, the Deputy Prime Minister, is unaware of the arguments that take place here. The Bill will be sent down to the House of Lords, and there is an argument that was raised by my hon. Friend the Member for Epping Forest—what business is it of the Lords, the electoral rules and regulations of the House of Commons?

Yet I am on my knees, and freethinkers in the House are on their knees, hoping that the Lords will have a view on whether there was propriety in the purposes behind the Bill. That is why I want to see—I hope to see—that House rise up and say, "This coalition image of gold is rubbish. The Bill does not reflect the settled will of the House of Commons"—that is what it amounts to—"nor does it reflect the needs of our people to have their own distinctive form of representation."

These islands, these countries that form this Great Britain, have different traditions, different allegiances. My father said a long time ago that there are many Englands, just as there are many Scotlands, many Waleses, and so on. Each is particular. I represent the west midlands, which was the manufacturing heartland of the United Kingdom. For a brief moment this was the greatest, richest, most powerful nation on earth. Those are the same people whom we represent. Have we enhanced their rights, their power over the decisions of Government, their influence in the House? The Bill has not done that; in fact it diminishes those. I shall gladly vote against it, and I hope the House will join me in the No Lobby.

9.34 pm

Mr George Howarth (Knowsley) (Lab): It is a great privilege to follow the hon. Member for Aldridge-Brownhills (Mr Shepherd), who has demonstrated two things about his character and his political principles: first, he is a man of great independence; and secondly, he is a greatly passionate politician. He has made a great speech, and I am proud to follow it.

The Deputy Prime Minister, in opening this Third Reading debate, said that he thought that in the wake of the expenses scandals of the previous Parliament, it was important to bridge the gap between the remoteness of Members of Parliament and the electorate. I think that those were the words that he used. That is a laudable objective, and there cannot be any Member who would not agree with it, but, before we decide how we vote on Third Reading, we have to judge the extent to which the measures in the Bill make us less remote from the voters.

Let us take three important issues that have not been addressed satisfactorily, if at all. First, what does the Bill do about the 3.5 million people who are not even on the register, and even though we know that they qualify for it? *[Interruption.]* Hon. Members laugh, but it is a serious issue. How could one be more remote than not even being on the electoral register? Yet nothing in the Bill will bridge that gap.

Secondly, there is the issue of the alternative vote system or, as Government Members somewhat misleadingly refer to it, "making the voting system fairer". I listened with great care to the hon. Member for Bermondsey and Old Southwark (Simon Hughes).

Karl Turner (Kingston upon Hull East) (Lab): Will my right hon. Friend give way?

Mr Howarth: I will not, because I do not have much time and I need to allow others to speak.

The hon. Member for Bermondsey and Old Southwark is a long-standing supporter of proportional representation, and I respect that but do not agree with him. Now, I do not intend to get into an argument about the merits of PR and first past the post, but I think that he said, "It's a coalition. There has to be give and take." The hon. Member for Argyll and Bute (Mr Reid) made the point slightly differently, saying that there has to be compromise. However, I ask the hon. Member for Bermondsey and

[Mr George Howarth]

Old Southwark: who is giving and who is taking? It amazes me that he, as a supporter of proportional representation, feels able to support the Bill, because it does not include proportional representation, as he well knows. It does not even include the corrective of top-up seats, so we will end up with a system scarcely more proportional—and in some circumstances even less proportional—than our current system.

Finally, I ask the Deputy Prime Minister, how does taking away the right of people to appear at a public inquiry and argue the case for a different set of boundaries from those that have been proposed make this Parliament or any other less remote from the people? It does not at all. In fact, it makes Parliament even more remote. I have to say to the right hon. Gentleman that this Bill is a complete mess. I have to ask those on the Liberal Democrat Benches: how can you support this system? It is not a compromise; it is give and take: they are taking everything and you are giving everything. I say to the Liberal Democrats, you have sold yourselves very short on this legislation. This is a Bill that you will come to regret, and I hope that the House will vote it down tonight.

9.39 pm

Simon Hughes: I will deal straight away with the remarks of the right hon. Member for Knowsley (Mr Howarth). This is not a perfect Bill—I am not pretending that it is—but it is a good Bill; and the two things that it does needed to be done.

First, we needed to give the British people a chance to improve the electoral system. The alternative vote is not a proportional system—I have never claimed that it is—but it has two advantages that our current system does not have. I appeal to anybody who is a progressive politician in any party to come to the view that we should support a system that, yes, keeps single-Member representation, but sends us here with a majority of support from those of our electorate who vote—

Chris Bryant: It doesn't.

Simon Hughes: Yes it does.

Chris Bryant: No it doesn't.

Simon Hughes: Yes it does, compared with the current system. *[Interruption.]* If the hon. Gentleman will just calm down—he is far too overexcited most of the time.

Secondly, the system allows people to express preferences—it is positive, not negative, voting that allows them to say what they really want politically as opposed to being forced to say what they do not want politically. That is definitely progress.

There is another practical consideration, as the right hon. Member for Knowsley knows. This House does not have a majority in favour of a proportional system at the moment—I accept that. I want a proportional system. Personally, I prefer alternative vote plus, because it has the balance of a single-Member seat plus top-up. But there is not a majority for those things. This measure allows Parliament to come to a view, as put forward by the Labour party in the general election, that the British people should be given the option of moving to a better system. It is not the perfect system—there is no such thing as a perfect system—and not the best system, but it is a better system. I hope that this House and the other place will allow the great British public to decide on this. Then, if the referendum comes up with a yes vote, as I hope it will, we will have a better political system and a better democracy.

I share one of the views of the right hon. Member for Knowsley and the hon. Member for Liverpool, Walton (Steve Rotheram). It is a scandal and a shame that in this country, throughout the time of the Labour Government and now, 3 million or more people are not on the electoral register when they should be. I have made it clear to my right hon. Friend the Deputy Prime Minister and colleagues that there is a duty on our Government, just as there was a duty on the Labour Government that they did not discharge, to work across parties and outside parties to ensure that we get all those registered who should be registered.

Julie Hilling: Will the hon. Gentleman give way?

Simon Hughes: No, I am trying to be very quick.

I will go on arguing from these Benches that the Government need to do more to increase electoral registration. Yesterday, with my right hon. Friend the Deputy Prime Minister, I urged our party members to do more, and I hope that the Labour party and the other parties will do more as well. I hope that the Government will assist in every way—this month, before the December register comes into force—to ensure that the maximum number of people are on the electoral register. There are all sorts of ways of doing that, and the sooner we can start sharing our wisdom, the better.

I want to make one more substantial point. There is an absolutely overwhelming argument for more equally sized constituencies. The disparity between the number of voters per constituency is scandalous. I speak as somebody with Welsh, Scottish and English roots. It is no longer justifiable for Wales or Scotland to be over-represented in this place when England does not have any devolved government at all and is therefore already relatively under-represented.

Mr David Winnick (Walsall North) (Lab): Will the hon. Gentleman give way?

Simon Hughes: No, I am not giving way.

Nobody argues that there should not be exceptions in extreme cases, which is why two seats have been singled out. That has never been in dispute. There is an argument, which has been tested, as to whether there should be other exceptions, such as other island communities. That is an argument that will not go away in the debates up the corridor, and nor should it, because there are reasonable arguments for an extension down that road. However, I hope that we accept the principle that, wherever humanly possible, the number of electors should be similar, because that is the only way to ensure that this place can proportionately reflect the views of the electorate and that we can all be elected in a similar way.

Mr Winnick: What possible justification can there be for the boundary changes taking place without any public inquiry at all? Is that not a travesty of democracy? The hon. Gentleman should be ashamed of defending and justifying what is intended.

Simon Hughes: I will give the hon. Gentleman the answer, having appeared at inquiries in the past. The justification is that the job will be done by an independent set of boundary commissions, which are no more or less likely to treat people and arguments fairly by receiving representations in writing than in oral evidence. Often, the main argument at public inquiries has been not among real people about their communities, but among political parties' paid officers.

One argument that has been made is that we cannot reform one part of the constitution without reforming the others. I say gently to colleagues in the Labour party that unlike them, we will secure a predominantly elected House of Lords, which they did not do. Unlike them, we have on our agenda a reduction of the number of Ministers in future. [HON. MEMBERS: "No you don't."] Yes, we do. We have it on the agenda—*[Interruption.]*

Mr Speaker: Order. I have never known a situation in which the hon. Member for Bermondsey and Old Southwark (Simon Hughes) is virtually shouted down. It is not only unprecedented, it is unacceptable. We must hear the hon. Gentleman, notwithstanding the strong feelings.

Simon Hughes: This is the first of a series of radical constitutional reforms that Labour never delivered, and that the coalition is willing to deliver. I hope that the House is radical enough to support it, and that the House of Lords does a proper job of ensuring that we have the best possible form for the two proposals that I have mentioned. It does Labour no good to argue against changes none of which it introduced in 13 years.

9.47 pm

Ian Lucas: When Labour came to power in 1997, it began a major programme of constitutional reform. At its heart was devolution in Scotland and Wales. Labour's proposals in Scotland were based on the cross-party constitutional convention. In both Scotland and Wales, after referendums, it introduced voting systems that guaranteed representation for the Tories in the Scottish Parliament and the National Assembly for Wales at a time when they had no representation there in Parliament. The political system also ensured that the Liberal Democrats had representation.

We may contrast that with the approach that we have seen from the Tories and their Liberal Democrat lapdogs in this disgraceful Bill. It has no basis in manifestos, and there was no draft legislation, no consultation with Opposition parties and no discussion with the elected representatives of devolved institutions. It removes the right of constituents to make representations on the biggest ever change in the boundaries relating to their communities. That is an absolute disgrace and a catalogue of decisions that the coalition parties should be ashamed of. Fundamental constitutional change is being imposed for partisan political reasons, with a timetable devised to secure maximum political advantage for the Tories and the Liberal Democrats.

The consideration of the Bill has been a cynical outrage. We have had Liberal Democrats voting against the single transferable vote and Tories voting in favour of taking away the right of local people to speak out in public inquiries when fundamental changes are made to their boundaries and communities. What does that say about Tories and Liberal Democrats empowering individuals and communities? As an MP from Wales, albeit an English one, I have seen the contempt for Wales that drives Welsh people into the arms of nationalists.

The Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), and the Deputy Leader of the House have no understanding of the constitution of the United Kingdom. They ignore the asymmetric devolution that we have in the United Kingdom, and they take no account of the views of the peoples of the devolved nations who have voted in different referendums—in Northern Ireland, Scotland and Wales—to establish our constitution and they are now being ridden roughshod over without any electoral mandate.

What is even worse is that the supine Secretaries of State for Scotland, Wales and Northern Ireland and, yet again, the Welsh Ministers do not care. Where are they? The reason they do not care is that Wales and Scotland are irrelevant to the Tories. The Tories do not care what Welsh MPs think. This Bill will be pressed through. It does not matter what MPs, Assembly Members or Members of the Scottish Parliament say.

This Bill is contemptuous. It is designed to secure partisan advantage for the Tories and their allies. It has been railroaded through on a timetable constructed to maximise political advantage, and to ensure that it gets through before the next general election, and that is all that the Government care about. It changes the constitution for short-term political gain, without the consent of the peoples of the UK. The coalition parties will rue the day that this Bill was ever passed. It is the antithesis of everything that good legislation should be about. It shows this Government for what they are—dissembling, self-serving and dictatorial. Those who support them should be ashamed of themselves.

9.51 pm

Mr Cash: I have opposed this Bill from the beginning because I do not believe that it is based on any sensible constitutional principle whatever. It is in defiance of our own manifesto. It supports the process of a coalition, which, given how this Bill came to be part of the coalition agreement, is itself subject to questioning. We have heard from the right hon. Member for Blackburn (Mr Straw) and others as to the manner in which this Bill, or this proposal for this Bill through the coalition agreement, was devised. I do not need to rehearse all that. This is something that is a matter of grave concern to many of us. The question of principle and conviction, which ought to underlie any major constitutional issue, is wholly lacking in respect of this Bill.

I heard many of the arguments from the Labour party. I have to say that irrespective of what Labour Members do in the vote tonight, I cannot honestly say that I believe that they stand on any principle that is worth considering. They have not had any mandate for their vote as far as this Bill is concerned. The idea that a threshold should not be inserted as being the only protection for the people of this country, who are being taken to a referendum—a poll—largely because this Bill is being so heavily whipped, is in itself a matter of the gravest concern. This Bill violates constitutional principle. It violates the manner in which for 150 years we have conducted our parliamentary processes by first past the post. That is a principle that was upheld by people such

[Mr Cash]

as Disraeli and Gladstone, and even Lloyd George until the Liberal party decided, under his leadership or his influence at the time, that it might not be so convenient because the votes would not follow what he had to say.

In a nutshell, this Bill is unacceptable, which is why I, and I hope as many colleagues as possible, will vote against it. It is unprincipled. It is without a mandate and it is wrong.

9.54 pm

Julie Hilling: I wanted to make a number of points, but with the shortage of time, I will keep my comments brief. Like many other hon. Members, I have tried to make points before, but because of the conduct and timetabling of the Bill, I have been unable to speak on my deeply held beliefs.

Let me take just one element of the Bill and try to correct some of the errant nonsense on independent inquiries. In 2005, an inquiry was held into the boundaries in Greater Manchester, because it was decided that after the application of the electoral quota, there should be 27.25 MPs rather than 28. However, because nobody could have the spare quarter of an MP, the number went down to 27 MPs, and something similar may happen in the near future. There were 384 written submissions before the decision to hold an independent inquiry. Once the inquiry was called, there were more than 600 written submissions and 190 people spoke to the inquiry. Sixteen alternative proposals were made.

I do not know of 190 political parties in Greater Manchester, so I would conclude that those submissions were from ordinary citizens. As I said, the inquiry took three weeks, not the many months that Conservative and Liberal Democrat Members would like us to believe inquiries take. Constituents individually or collectively put forward their views on how they wanted to be represented.

The Bill is deeply flawed on many levels. Not only does it reduce the number of MPs, potentially ignoring historical links, splitting wards and removing the right of people who are affected by changes to have their say, and not only is it gerrymandering of the worst kind, but it runs counter to all the Government's grand statements on the big society, local decision making and empowering local people. The Bill shows that those are simply words, and that the Government have no intention of localising power. The Bill may be cost saving, but at what cost? It should not pass.

9.57 pm

Ms Bagshawe: As Opposition Members will know, I have sat through most of the debate, and I have been astonished at their cant and hypocrisy—*[Interruption.]* Have they forgotten that among the nations—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the hon. Lady, but she must be heard.

Ms Bagshawe: Have Opposition Members forgotten so completely that among the nations of the United Kingdom is the nation of England, which has been badly served by the democratic deficit? Again and again we have heard from them arguments over geography.

Mr MacNeil *rose—*

Ms Bagshawe: I have but three minutes and I regret that I cannot give way.

We have heard arguments over valleys and rivers, but never have we heard arguments in favour of people. The Bill seeks to remedy an ancient wrong.

I say this to my hon. Friends who are worried about the AV referendum: take heart. I believe that the referendum is something of a miscalculation by my right hon. and hon. Friends in the Liberal Democrat party, but I am quite happy and content to trust the people. Let us lay it before the people and let them decide.

Opposition Members have become convinced of the doctrine that what is traditional is therefore right. I welcome their eleventh-hour conversion to that doctrine, but they cannot get away from the fact that the boundaries in this country are incredibly unfair. The votes of those in Corby and east Northamptonshire should be worth exactly the same as those in the constituency of the hon. Member for Rhondda (Chris Bryant). No matter how they run and no matter how they hide, they cannot make the argument that equality is bad for democracy.

That sums up Opposition Members' arguments. I hope that the House supports the Bill in numbers, as it deserves.

Question put, That the Bill be now read the Third time.

The House divided: Ayes 321, Noes 264.

Division No. 110] **[9.59 pm**

AYES

Adams, Nigel	Bruce, Fiona
Aldous, Peter	Buckland, Mr Robert
Alexander, rh Danny	Burley, Mr Aidan
Amess, Mr David	Burns, Conor
Andrew, Stuart	Burns, Mr Simon
Arbuthnot, rh Mr James	Burrowes, Mr David
Bacon, Mr Richard	Burt, Alistair
Bagshawe, Ms Louise	Burt, Lorely
Baker, Norman	Byles, Dan
Baker, Steve	Cable, rh Vince
Baldry, Tony	Cairns, Alun
Baldwin, Harriett	Cameron, rh Mr David
Barker, Gregory	Campbell, rh Sir Menzies
Barwell, Gavin	Carmichael, Mr Alistair
Bebb, Guto	Carmichael, Neil
Beith, rh Sir Alan	Carswell, Mr Douglas
Bellingham, Mr Henry	Chishti, Rehman
Benyon, Richard	Clappison, Mr James
Beresford, Sir Paul	Clark, rh Greg
Berry, Jake	Clarke, rh Mr Kenneth
Bingham, Andrew	Clegg, rh Mr Nick
Birtwistle, Gordon	Clifton-Brown, Geoffrey
Blackman, Bob	Coffey, Dr Thérèse
Blackwood, Nicola	Collins, Damian
Blunt, Mr Crispin	Colvile, Oliver
Boles, Nick	Cox, Mr Geoffrey
Bottomley, Peter	Crockart, Mike
Bradley, Karen	Crouch, Tracey
Brake, Tom	Davey, Mr Edward
Bray, Angie	Davies, David T. C. *(Monmouth)*
Brazier, Mr Julian	Davies, Glyn
Bridgen, Andrew	de Bois, Nick
Brine, Mr Steve	Dinenage, Caroline
Brokenshire, James	Djanogly, Mr Jonathan
Brooke, Annette	Dorrell, rh Mr Stephen
Browne, Mr Jeremy	

Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Randall, rh Mr John
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Stephen Crabb and Mark Hunter

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Baron, Mr John
Barron, rh Mr Kevin
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Binley, Mr Brian
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn

Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Cash, Mr William
Caton, Martin
Chapman, Mrs Jenny
Chope, Mr Christopher
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
George, Andrew
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Gray, Mr James
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Mercer, Patrick
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Tapsell, Sir Peter
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walker, Mr Charles
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Mr David Hamilton and Phil Wilson

Question accordingly agreed to.
Bill read the Third time and passed.

Mr Peter Bone (Wellingborough) (Con): On a point of order, Mr Speaker. Today I received two letters about transferring parliamentary questions. One was from the Solicitor-General's office telling me that my question on human trafficking had to go to the Home Office. The other was from the Home Office and said:

"The Home Secretary has asked me to let you know that he has arranged for the Question"

to be transferred. That is a different question, but it is about human trafficking and has been transferred away from the Home Office. Will you advise me, Mr Speaker, on who the new Home Secretary is, and what I can do about my questions being messed around with?

Mr Speaker: I am grateful for the hon. Gentleman's point of order. On the first matter, his sense of humour never deserts him, and I do not think he requires any

advice on that matter. However, the Home Secretary may want to have a word with her officials about this important issue. She has some reason to feel aggrieved.

On the second point, the hon. Gentleman will understand that it would not be right for me to comment on the detail of the matter. Suffice it to say that he is an ingenious parliamentarian, and he has put his views on the record very clearly and forcefully. They will be heard by the people whom I know he adores—the Whips on the Treasury Bench. I hope that that is helpful.

Business without Debate

DELEGATED LEGISLATION

Mr Speaker: With the leave of the House, we will take motions 3 to 7 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CAPITAL GAINS TAX

That the draft International Tax Enforcement (Anguilla) Order 2010, which was laid before this House on 15 July, be approved.

That the draft International Tax Enforcement (Bahamas) Order 2010, which was laid before this House on 15 July, be approved.

That the draft International Tax Enforcement (Gibraltar) Order 2010, which was laid before this House on 15 July, be approved.

That the draft International Tax Enforcement (Liechtenstein) Order 2010, which was laid before this House on 15 July, be approved.

That the draft International Tax Enforcement (Turks and Caicos Islands) Order 2010, which was laid before this House on 15 July, be approved.—*(Mr Vara.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

IMMIGRATION

That the draft Immigration and Nationality (Fees) (No. 2) Regulations 2010, which were laid before this House on 11 October, be approved.—*(Mr Vara.)*

Question agreed to.

DELEGATED LEGISLATION (COMMITTEES)

Ordered,

That the Motion in the name of Mr Peter Lilley relating to the House of Commons Members; Fund (Discretionary Payments) shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice of a motion has been given that the instrument be approved.—*(Mr Vara.)*

ADMINISTRATION

Ordered,

That Frank Dobson, Gemma Doyle and Mr Dave Watts be discharged from the Administration Committee and Mr Tom Harris, Mr Kevan Jones and Angela Smith be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

BUSINESS, INNOVATION AND SKILLS

Ordered,

That Luciana Berger, Jack Dromey, Nicky Morgan, Chi Onwurah and Rachel Reeves be discharged from the Business, Innovation and Skills Committee and Paul Blomfield, Katy Clark, Simon Kirby, Gregg McClymont and Ian Murray be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

COMMUNITIES AND LOCAL GOVERNMENT

Ordered,

That Toby Perkins and Chris Williamson be discharged from the Communities and Local Government Committee and Simon Danczuk and David Heyes be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

DEFENCE

Ordered,

That Mr David Hamilton, Mr Adam Holloway, Alison Seabeck and John Woodcock be discharged from the Defence Committee and Thomas Docherty, Mr Dai Havard, Penny Mordaunt and Sandra Osborne be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

EDUCATION

Ordered,

That Conor Burns and Liz Kendall be discharged from the Education Committee and Neil Carmichael and Bill Esterson be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

ENERGY AND CLIMATE CHANGE

Ordered,

That Gemma Doyle and Tom Greatrex be discharged from the Energy and Climate Change Committee and Barry Gardiner and Ian Lavery be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Ordered,

That Nigel Adams be discharged from the Environment, Food and Rural Affairs Committee and Richard Drax be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

FOREIGN AFFAIRS

Ordered,

That Emma Reynolds be discharged from the Foreign Affairs Committee and Mr Bob Ainsworth be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

HEALTH

Ordered,

That Fiona Mactaggart be discharged from the Health Committee and Yvonne Fovargue be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

HOME AFFAIRS

Ordered,

That Mary Macleod be discharged from the Home Affairs Committee and Mr James Clappison be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

HUMAN RIGHTS (JOINT COMMITTEE)

Ordered,

That Mr Andy Slaughter be discharged from the Joint Committee on Human Rights and Mr Virendra Sharma be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

INTERNATIONAL DEVELOPMENT

Ordered,

That Mr Russell Brown and Ann McKechin be discharged from the International Development Committee and Mr Michael McCann and Alison McGovern be added. — *(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

NORTHERN IRELAND AFFAIRS

Ordered,

That Stephen Pound be discharged from the Northern Ireland Affairs Committee and Kate Hoey be added. — *(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

PUBLIC ACCOUNTS

Ordered,

That Eric Joyce be discharged from the Committee of Public Accounts and Stella Creasy be added. — *(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

PUBLIC ADMINISTRATION

Ordered,

That Jon Trickett be discharged from the Select Committee on Public Administration and Lindsay Roy be added. — *(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

TRANSPORT

Ordered,

That Angie Bray, Lilian Greenwood and Angela Smith be discharged from the Transport Committee and Steve Baker, Julie Hilling and Gavin Shuker be added. — *(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

WELSH AFFAIRS

Ordered,

That Glyn Davies be discharged from the Welsh Affairs Committee and Stuart Andrew be added. — *(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

WORK AND PENSIONS

Ordered,

That Ms Karen Buck, Margaret Curran and Shabana Mahmood be discharged from the Work and Pensions Committee and Alex Cunningham, Glenda Jackson and Teresa Pearce be added. — *(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

Termination of Pregnancy (Information Provided)

Motion made, and Question proposed, That this House do now adjourn. — *(Mr Vara).*

10.19 pm

Nadine Dorries (Mid Bedfordshire) (Con): Although the abortion figures for last year were slightly reduced by 3.2%, there were still 200,000 abortions carried out in the UK last year—572 per day. Abortion in this country is an industry from which a small number of organisations and individuals make vast amounts of money. No sensible person would condone this. In examining the legislative abortion procedures of European countries with far lower numbers than ours, it occurred to me that for those countries in which informed consent before an abortion takes place is enshrined in law—Germany, France, Belgium, Finland and others—the abortion rate was much lower. I have deliberately excluded countries with religious and cultural influences, such as Italy, Spain and Portugal from that analysis. It also appears to me that in those countries, the abortion procedure is a far kinder one, which takes much more account of the vulnerable position a woman might be in at the time of her request for an abortion and provides her with alternatives to consider and a cooling-down time in order to think, breathe and take stock of what is happening.

All those countries with good informed consent legislation had significantly lower than average daily abortion rates than the countries that do not have such informed consent legislation. Although a causal link is impossible to prove, these figures suggest that informed consent legislation might prove a good way of reducing Britain's abortion figures. I think that all Members of all parties are agreed that we want to see that happen.

In this country, if a woman requests a termination from her GP, no questions are asked. I have spoken to numerous GPs and posed this question to them: "When a woman sits in your surgery and asks for a termination, what do you say?" The answer I frequently receive is that the GP does not say anything, but writes a referral letter. That is the process at the GP stage. A referral is made to a hospital or clinic and the abortion is performed, for the woman's sake, as quickly as possible and without fuss.

Minimal counselling or no counselling is provided in some NHS hospitals and some clinics. Minimal counselling is provided by BPAS—the British Pregnancy Advisory Service—which carries out a large number of abortions on behalf of the NHS. However, BPAS carries out some counselling, but also carries out the abortion, so there is a clear conflict of interest there.

Andrew Selous (South West Bedfordshire) (Con): I understand that the counselling provided by abortion providers is Government funded only if the abortion goes ahead. Does my hon. Friend share my concern about that?

Nadine Dorries: I am going to come to that very point a little later in my speech. It is one of the main concerns, mainly because no alternative counselling is provided to negate that option.

We all know that when it comes to abortion, the law is indeed an ass. It has no application whatever. We know that the law prohibits social termination—two doctors' signatures are required—but none of that is ever taken into account. Abortion clinics freely admit that consent forms pile up in their offices, waiting for the second signature, long after the event has taken place.

A woman has an assumed right to choose. However, she apparently has no right whatever to any information on which to make that choice. If any of us were referred to a hospital today for a minor procedure such as an operation for an in-growing toenail, the procedure would be explained to us in detail. We would be made aware of the level of pain we might experience; we would be told exactly what would happen while we were under the anaesthetic; we would be given follow-up appointments to check on the progress of our healing; we would have our dressings changed and have checks for infection. A woman who has an abortion has none of that.

At the end of the day, the woman is discharged out on to the street and left to come to terms with the rollercoaster emotional journey of which she will still be in the midst. Before the woman received the procedure, she might have felt coerced, pressurised or bullied into the abortion. To her, it might have been a life or the beginning of a life—depending on her perspective. She might have had a seed of doubt, but once she was on the conveyor belt to the clinic, she might have felt helpless and unable to step off.

Make no mistake: abortion is not a medical procedure. It is not an in-growing toenail. Abortion is about the ending of a life, or a potential life. It is about a death which is final, and from which there is no going back. The abortion of a baby does not abort the seed of doubt or misgivings that may have been present at the time; that still remains.

Many consultant psychiatrists from the Royal College of Psychiatrists are becoming increasingly concerned about the number of women who are presenting with mental health issues directly linked to previous abortions. A major longitudinal 30-year survey published in *The British Journal of Psychiatry* in 2008 showed clearly—after adjustment for confounding variables—that women who had had abortions had rates of mental disorder 30% higher than women who had not. The Royal College of Psychiatrists said that, following its position statement on abortion and mental health,

> "healthcare professionals who assess or refer women who are requesting an abortion should assess for mental health disorder and for risk factors that may be associated with its subsequent development".

Nothing remotely like that happens. No consideration whatsoever is taken of the state of a mother's mental health when she asks for an abortion. If she asks for an abortion, she is given one.

Given the disregard that we have for women seeking this procedure, I am surprised that that figure stands at only 30%. We push vulnerable women through a clinical procedure at great speed to end a life—or, as I said, a potential life—that is growing within them, and we wonder why only 30% have problems in later life. Those are the women who are diagnosed. They are the women who seek help, and whom we know about. We do not know about the others. Is it not time that we started to treat women a little better than this?

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I am very pleased that my hon. Friend has raised the issue of the rights of women in this context, but what about the fathers? I hope she agrees with me that the law needs to be examined to ensure that the rights of the potential father are taken into consideration.

Nadine Dorries: I thank my hon. Friend for his contribution, but I am afraid that I must stick to the point of the debate, because otherwise we shall run out of time.

Does not the way in which abortions are carried out in this country today almost amount to abuse? We need to take lessons from our European neighbours. In Germany, women are offered counselling and a cooling-off period. That gives them a chance to breathe and think. It gives them support. They are informed about the procedure, and of the possible consequences. They are provided with alternative routes other than the surgical removal of a life. They are given information about adoption—and yes, I know that people throw up their hands in horror when that is mentioned, but it is not our pregnancy, and it is not our baby.

We have no right to institutionalise and frame a decision-making process that is void of choice for the women who seek information. It is a woman's right to choose, and women should have the right to be given every shred of information that we have and every alternative option. If a woman wants to continue with her pregnancy and deliver her baby for adoption, she should have the right to choose to do so. If she does not, at least she can emerge from the abortion process feeling that she made an informed decision. She can emerge feeling that she went in empowered and not helpless, strong and not vulnerable, and believing that she did the best thing because she knew exactly what she was doing and had full knowledge of every available option. She will be able to draw strength from that in future.

Women are entitled to an option. They are entitled to give informed consent, which should be explicitly supported by pro-choice and pro-life campaigners. When it comes to a decision of such magnitude, it is vital for women to receive information that is absolutely accurate and is given calmly, without coercion or a principled bias and, in particular, without political ideology. Last month ComRes, the pollsters, revealed after an extensive survey that 89% of people agreed with that. They think that women should be entitled to have more information when requesting an abortion. Given that overwhelmingly high figure, it is time that this House paid some attention. I hope the Minister agrees that it is time that we took a little more care of women undergoing such a procedure. It is time that we introduced a statutory process of informed consent and a cooling-off period. The European evidence shows that that could provide us with a considerable reduction in the number of abortions, and everyone would surely welcome that.

I shall finish by mentioning a book which is to be launched this month. It is published by the charity Forsaken, which is neither pro-life nor pro-choice: it is pro-women. For two years, the charity has put together the stories of women suffering from post-abortion syndrome. Reading the book is so heart-wrenching that we just want to reach out and take their pain away, but we cannot. There is no going back. We cannot make it better; abortion is a procedure to end life—it is final.

[Nadine Dorries]

The women interviewed for this book feel that talking about abortion is taboo. That forces them into silence, leaving them unable to express their suffering. Abortion really is a taboo subject. We will never see an abortion filmed on television; we will never see that screened. It is still the taboo subject that we do not talk about.

One woman in the book describes how even when she told the anaesthetist that she was changing her mind and was having doubts, he pushed her to go ahead. He did so because, if she changed her mind, he would not have been paid. There is the same process as for the counselling. If the woman does not go ahead with the abortion, the clinics are not paid for the counselling, and therefore they need to know that she is going ahead before she is given the counselling—and we can imagine the process that ensues.

I will conclude by reading a paragraph from the book, giving a young girl's account:

"An uncle dropped me off at the clinic with a letter to give to them. I don't know what that letter was. At this point, I was holding onto the thought that they were only checking me. The staff at the clinic were very nice there, seemingly courteous and kind. It was not my usual surgery, I did not realise it was an abortion clinic until I was shown into a counsellor's room. When I went to the counsellor's room, I was asked: 'Why don't you want to keep this pregnancy?'

'I want it but my family don't want it,' I replied, and promptly burst into tears. 'They won't support me and I can't look after it myself.'

Nothing more was said that I remember...I was given a bed—there must have been 20 of us crowded into that ward. I was the first in line. As I waited, I scanned the corridors for some means of escape, but I was already wearing my hospital gown and no underwear. It wasn't long before a man brought a wheelchair to take me to the operating theatre. For a brief moment I wondered if I had the strength to run away, but instead I sat obediently into the chair."

That is a story of loneliness, suffering, emptiness and loss that many thousands of women live with day after day. It is they who become the 30%.

It is time for the UK to catch up with the rest of Europe and introduce informed consent in an attempt to ensure that stories like this become a rare exception. It is time for this country to start looking after our young girls and women at the most vulnerable time in their lives and treat them with some respect.

10.33 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): I congratulate my hon. Friend the Member for Mid Bedfordshire (Nadine Dorries) on securing this debate on a subject in which I know she has had a long-standing interest. She rightly described it as a taboo subject, and the extract she read was moving, evocative and of concern to us all.

The debate comes at a welcome time for me, as I will be meeting representatives from the two biggest independent sector abortion providers later in the month to discuss how we might integrate contraception and wider sexual health provision into the services they provide. It will also be an opportunity for me to raise some of the issues my hon. Friend has highlighted tonight.

I also recently had a useful and productive conversation with a charity that supports young women and men in making informed sexual health decisions. For me and for the Government, reducing the abortion rate is an absolute priority, and to do that we have to ensure that women and men are given information and support to make responsible sexual health choices.

We have seen significant advances in the quality of abortion provision since the Abortion Act 1967 came into force. Early access to abortions has improved and evidence shows that the risk of complications increases the later the gestation. Currently, 75% of NHS-funded abortions take place at under 10 weeks, compared with 51% in 1992. Early abortion means that women have more choice as to the abortion method. Medical abortion using two tablets now accounts for 40% of the total number of abortions, as opposed to only 12% in 2001. However, abortion comes at the end of a failure of many other services in the lives of young women.

Independent sector abortion providers and those organisations that refer women for an abortion are hugely experienced, but are subject to Secretary of State approval and monitoring by the Care Quality Commission. That is why some of the issues that my hon. Friend raises are of considerable concern. We need to ensure that continued emphasis is placed on giving women and men advice and contraception, because it is needed. In the same way, women should be given access to tailored, appropriate and impartial advice on their pregnancy options.

The Government will be responding to the House of Commons Select Committee on Science and Technology recommendation to update advice on the mental health consequences of induced abortion. The Government have commissioned a systematic review of the evidence, and the report will be published in spring 2011.

Interestingly, we have recently seen a substantial increase in the number of men attending family planning clinics—there was a 16% increase in the number of young men attending clinics in 2009-10, with 162,000 attendances. That is a massive 93% increase on the figure in 1999-2000, when only 84,000 men attended. I welcome the fact that young men are taking the issue of sexual health and pregnancy more seriously; I hope that they are taking it as seriously as young women are.

There are some examples of truly excellent, innovative sexual health services that have grown up at local level. However, as my hon. Friend said, the total number of abortions currently being carried out is just over 189,000 a year. Since 1992, the number of abortions has steadily increased, with the exception of the past two years when there was a fall in the number, albeit small. Just under half of teenage conceptions end in an abortion. However, the trend in both teenage conceptions and births is downward and the teenage pregnancy rate for 2008 was the lowest annual rate for more than 20 years. We should welcome that, although we should never be complacent because that figure of 189,000 is still way too high.

Repeat abortion is a continuing issue. Some 34%—one third—of women undergoing abortions had one or more abortions, a figure that has risen from 29% in 1998. Some 25% of repeat abortions were to women under 25. There are also significant and concerning variations between primary care trusts in repeat abortion rates, with rates in some areas as high as 45%. Abortions are traumatic and stressful, and they are not a form of contraception, but sadly they are clearly used as such in some instances. Women are offered a follow-up appointment

within two weeks of the abortion. That also provides an opportunity to have another conversation about contraception needs if the woman was unclear as to contraception requirements at the time of the abortion, but that is not always taken up.

Mr Stewart Jackson (Peterborough) (Con): Is the Minister as concerned as I am that it is common practice for independent abortion providers to have their commercial relationship with PCTs and with other trusts in the health service hidden by the caveat of "commercial in confidence"? Therefore, people are not in a position to understand those providers' commercial relationship with the NHS, and surely that offends against the principles of transparency in the NHS.

Anne Milton: Yes. I thank my hon. Friend for raising that point. The issues raised by conflicts of interest and hiding behind commercial sensitivity give rise to considerable concern. That is why I am pleased to be meeting some of the service providers in the next week or so to discuss those issues. It must be pointed out, with the greatest respect to my hon. Friend the Member for Mid Bedfordshire, that although the stories she talked about involved bad practice, there are a lot of instances of very good practice. We should not miss that in the discussion about where things are not going as well as they should be.

Contraception has been free for everyone and is readily available in the community from GPs, family planning clinics and abortion providers, but there are clearly barriers. Why are so many young women and men not using it? A number of factors can lead to risk-taking behaviour, such as sexual violence, alcohol, lack of contraception awareness and self-esteem. We need to use simple, effective messages about safe sex, sexually transmitted infections, condom use and contraception. We need to ensure that young people receive high quality education on relationships and sex and we need to tackle those issues in a holistic and effective way. We need to ensure that young people are equipped to make the choices and the sometimes challenging decisions that they face in their lives. Those decisions are increasingly challenging in this day and age.

Thomas Docherty (Dunfermline and West Fife) (Lab): Those thoughts from the Minister are all excellent, but it is my understanding that before the general election the now Prime Minister promised Government time so that the House could have an opportunity to have a free vote on legislation to change, for example, the upper limit. Will the Minister tell the House tonight whether the Government are still committed to providing time and, if so, when?

Anne Milton: I thank the hon. Gentleman for his question. Others in this House might know more about parliamentary procedure than I do, but I understand that abortion is a matter that is usually raised by Back Benchers. He may look bemused, but that is what I have been told. It is usually raised by Back Benchers and the Government do not normally take a view on it. It is an ethical decision and there are usually free votes on it—I have witnessed them myself.

Young women and men need to think about contraception before having sex. People have busy lifestyles—and, in some instances, very chaotic lifestyles—and there are barriers to accessing contraception. However, with long-acting reversible contraceptives there are ways to prevent unwanted pregnancy for everyone, whatever their lifestyle. We need young women and men to be equipped with the information and knowledge to look after their physical, mental and sexual health so they are not put in this position in the first place.

Some £11.5 million has been invested this year and the sexual health charities Brook and the Family Planning Association, with funding from Government, have developed a new web-based contraception decision tool to help people to choose the best contraception for them. Launched on 14 July, the "My Contraception" tool asks users a range of questions about their health, lifestyle and contraceptive preferences and recommends a contraceptive method based on the results.

The Government's "Sex. Worth talking about" national campaign has been quite well received and early indications suggest that it has prompted positive action. Local areas will now be able to use the "Sex. Worth talking about" campaign resources to support their local work. That is a development that I am sure we will all welcome. There are also pages on the NHS Choices website with a huge amount of information and a helpline for confidential advice.

Some advances have been made to ensure that women are able to have safe, legal abortions, but we need to stop the tide of unwanted pregnancies. That is the position that we want to be in. That will take an effort on a number of fronts, and later this year we will publish our White Paper on public health, which will set out our approach in a great deal more detail.

My hon. Friend the Member for Mid Bedfordshire rightly points out that a woman faced with an unwanted pregnancy is extremely vulnerable. She also rightly points out that the consequences of abortion can be traumatic and far reaching. I am pleased that my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) raised the issue of fathers, who are often forgotten in relation to this subject but who should not be forgotten in legislation and in the mechanisms we put in place to ensure that we not only prevent unwanted pregnancies but deal with their consequences.

I shall be very grateful for the continued support of my hon. Friends in making sure that we get the very best services available for women at this critical time. Anecdotal and individual Members' experiences are vital to ensuring that we get those services right. Having in place informed consent, appropriate counselling and the right support for women at this vulnerable time will ensure that we do not fail them for the future.

Question put and agreed to.

10.45 pm

House adjourned.

House of Commons

Wednesday 3 November 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Court Closures

1. **Mr Elfyn Llwyd** (Dwyfor Meirionnydd) (PC): Whether she has had discussions with the Secretary of State for Justice on the likely effects on Wales of her Department's proposed programme of court closures. [20323]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend the Secretary of State and I are fully engaged with our colleagues at the Ministry of Justice on these proposals. We both met the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), in September and further meetings have been arranged.

Mr Llwyd: I thank the hon. Gentleman for that reply. Will he tell me when exactly he met his colleagues and what he discussed? Which courts did he say should not close?

Mr Jones: I and the Secretary of State met the Under-Secretary in September. We have another meeting arranged for 10 November. We discussed all the courts in Wales that I am sure the hon. Gentleman is concerned about.

Mr Speaker: I call David Davies.

Mr Llwyd *rose—*

Mr Speaker: Order. I apologise. The hon. Gentleman has the right to come back.

Mr Llwyd: May I make the point that since the hon. Gentleman and his colleague have been in post, we have lost the investment in St Athan, we have lost the investment in the south Wales railway line, we have lost jobs in Newport and we have lost the north Wales prison? What on earth are they doing for Wales?

Mr Jones: It is in fact inaccurate to say that we have lost either St Athan or the north Wales prison. I would have thought, frankly, that the hon. Gentleman, as a lawyer, would be more concerned about the administration of justice. That is the primary concern of our Department and of the Ministry of Justice.

David T. C. Davies (Monmouth) (Con): May I thank the Minister for all he is doing to try to right the terrible economic wrongs foisted on us by Labour Members? In doing so, will he also take account of taxpayers' money that has been spent on Abergavenny court before making any final decision on it?

Mr Jones: Yes, indeed. Both the interests of justice and the interests of taxpayers' money will be fully considered.

National Assembly for Wales

2. **Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): What discussions she has had with the Chancellor of the Exchequer on Government policy on the funding for the National Assembly for Wales determined in the comprehensive spending review. [20324]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have discussed the comprehensive spending review with my right hon. Friend the Chancellor of the Exchequer and other Cabinet colleagues. The spending review sets out how the Government will carry out Britain's unavoidable deficit reduction plan. We have secured a fair settlement for Wales. It is now for the Welsh Assembly Government to decide how to manage the reductions, reflecting their own policies and priorities.

Jonathan Edwards: The UK Government refuse to review Wales's funding settlement, despite four independent reports highlighting the inequity of the Barnett formula, until the proposed March referendum. Will the Secretary of State explain the link between legislative competence for the National Assembly and funding for the Welsh Government, because under the terms of the Government of Wales Act 2006 they are distinct bodies?

Mrs Gillan: The hon. Gentleman knows very well that there have been two recent reports to the Welsh Assembly Government by Gerald Holtham, both of which I have looked at and discussed with the First Minister. We are still waiting to see what the response is from the Welsh Assembly Government to the second report from Gerald Holtham and it is right and proper that we should wait and see what the Welsh Assembly Government say first. As the hon. Gentleman knows, the details in the coalition agreement are quite clear. We have said that the Barnett formula is coming towards the end of its time, but we have a priority to put this economy back into shape after it was left in such a disgusting mess by the outgoing Government.

Mr Peter Hain (Neath) (Lab): On what date was the Secretary of State informed by the Secretary of State for Culture, Olympics, Media and Sport of his plans to change the status of S4C?

Mrs Gillan: The right hon. Gentleman knows that I have many meetings with the Culture Secretary on S4C. I have discussed the future of S4C on many, many occasions.

Mr Hain: You will have noticed that she did not answer the question, Mr Speaker. The day before the comprehensive spending review, on the evening of Tuesday 19 October, the BBC's Nick Robinson first broke the news that S4C was to be joined with the BBC before the S4C authority had even been informed. It is not clear

from her answer whether the Secretary of State knew what the Culture Secretary was planning before Nick Robinson did or whether, like the rest of us, she found out from him. It saddens me that she has absolutely no influence in the Cabinet. She failed to stand up for S4C, she failed to stand up for the defence training college, she failed to stand up for the Anglesey energy island, she failed to stand up for the Severn barrage and she got a terrible deal for Wales out of the comprehensive spending review. I am sorry to say that she is failing Wales abysmally. If she is not going to fight for Welsh jobs, she should not be in her job.

Mrs Gillan: I welcome the right hon. Gentleman back to his place on the Front Bench. For a brief moment during the elections for the shadow Cabinet, I thought we were going to be robbed of his charm and wit in Welsh questions, but that is not to be the case.

The Conservative party initiated the legislation on the Welsh language, which helped to put S4C on the map, and I have always supported S4C, both as the shadow Secretary of State for Wales and now as the Secretary of State. The deal for S4C is that it has firm funding for the next four years, and there will be meetings to ensure that it remains independent and continues to make a valuable contribution to Welsh language broadcasting.

Several hon. Members *rose*—

Mr Speaker: Order. As I want to make some progress down the Order Paper, we must have shorter answers, so I shall cut them off if necessary.

Hywel Williams (Arfon) (PC): Perhaps I can help the two Front Benchers. In a written answer to a question to the Secretary of State for Culture, Olympics, Media and Sport, I was told that he and others were informed of the S4C decision

"in the days leading up to, or at the time of, the spending review and licence fee settlement announcements." [*Official Report*, 28 October 2010; Vol. 517, c. 413W.]

Can our Secretary of State be a little more precise, or is her memory deficient—tactically or otherwise?

Mrs Gillan: No, my memory is not deficient. I assure the hon. Gentleman that S4C has been so important to me that I have been supporting it through its troubles. He will be well aware of the precipitate departure of the chief executive. I remember going out clearly at the Eisteddfod and backing S4C and saying that it had a great broadcasting future and was secure in our hands. It has now secured its financial deal, the details of which will come later.

Severn Bridge (Toll Exemptions)

3. **Karen Lumley** (Redditch) (Con): What recent discussions she has had with ministerial colleagues on an exemption from Severn bridge toll charges for serving armed forces personnel. [20325]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): I have regular meetings with ministerial colleagues regarding transport issues in Wales. I recently met the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker), to discuss the Severn bridge tolls. In particular we discussed the possibility of offering various discounts once the concession ends.

Karen Lumley: Does my hon. Friend agree that we ought to honour our armed forces by giving them concessionary fares, as happens in France and the United States?

Mr Jones: We certainly ought to honour our armed forces. The issue with the Severn bridge is that it is currently managed by a concessionary company, Severn River Crossing plc, and that the concession is likely to continue until 2017. Until then, discounts are entirely a matter for the company, but when the concession ends the Government will be responsible for tolling and might well consider further concessions.

Geraint Davies (Swansea West) (Lab/Co-op): Does the Minister agree that the tolls act as a tax on the economic gateway to inward investment in Wales? Will he consider reducing the tolls for the maintenance charges when the Severn bridge comes into public ownership in 2016 to encourage inward investment and prosperity at a time when the Welsh have been hit so badly by the comprehensive spending review?

Mr Jones: I understand what the hon. Gentleman says. Clearly there would be more of an economic barrier if the crossing were not there, but he is right that when the concession comes to an end in 2016-17 it will be possible to review the tolls and see whether, for example, they should be charged only in one direction or both.

Child Poverty

4. **Mr David Hanson** (Delyn) (Lab): What plans she has for discussions with the Welsh Assembly Government on the likely effects on child poverty in Wales of the outcomes of the comprehensive spending review. [20326]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have regular meetings with the First Minister about a range of issues relevant to Wales. We are firmly committed to tackling poverty and improving the lives of low-income families. Through decisions we have taken in the spending review, we are demonstrating that the best way to tackle child poverty is to address the root causes of poverty—entrenched worklessness, economic dependency and educational failure.

Mr Hanson: What representations has the Secretary of State made to her Treasury colleagues about the child trust fund, to which the Assembly continues to contribute? Page 42 of the Conservative party manifesto committed the Government to continuing to support the child trust fund for the poorest third of families, but that commitment is being ripped up by the Bill that is currently before Parliament.

Mrs Gillan: The right hon. Gentleman knows that the cuts we are being forced to make are not these Government's cuts but have arisen from his Government's mismanagement of the economy. We certainly want to help disadvantaged children now, when they need our

help, and it would simply be wrong to defer that help for 18 years. We have had to take difficult decisions regarding the child trust fund, but the record deficit has made it unaffordable. The problem with the economy at the moment is that his Government broke it and we have to fix it.

Roger Williams (Brecon and Radnorshire) (LD): Does the Secretary of State agree that the substantial increase in child tax credits announced in the June Budget will do substantial work to address child poverty not only in Wales, but right across the UK?

Mrs Gillan: The hon. Gentleman knows that to change the prospects of all children through the new fairness premium of £7.2 billion over the spending review period is exactly what this Government want to do. It includes a £2.5 billion premium to support the educational development of the poorest pupils.

Owen Smith (Pontypridd) (Lab): It is not simply in respect of child poverty that people in Wales are worried; whole towns in Wales are now worried that the Government have them in their sights. We are used to it, of course, in places such as Merthyr—in the 1930s, the Tories proposed to close it down completely and move people to the colonies—but I wonder whether Wales Office Ministers share the view of the Work and Pensions Secretary that people there, in Merthyr and in the valleys, are workshy and should simply get on a bus and find a job.

Mrs Gillan: The hon. Gentleman knows that, with our packages of welfare reform, we are trying to lift people out of lives of dependency. The right hon. Member for Delyn (Mr Hanson) asked about child poverty, which had been increasing under his Government since 2005. Is the hon. Gentleman not ashamed of the previous Labour Government's record on the matter?

Mr Speaker: Order. I think that the Secretary of State will have intended to welcome a new occupant of the Opposition Front Bench.

Constitutional Reform

5. **Nia Griffith** (Llanelli) (Lab): What recent representations she has received on the implications for Wales of the Government's proposals on constitutional reform. [20328]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend and I have received a number of representations, and we have also discussed with the Welsh Assembly Government and other interested parties the implications for Wales of the Government's programme of constitutional reform. Fairness throughout the United Kingdom is the underpinning principle of those reforms, and the Government have moved fast to introduce the constitutional reforms needed to restore confidence in Britain's political system.

Nia Griffith: We all understand the idea of a maximum time limit of two months for responding to Select Committee reports, but we do not have to go for the maximum; we can respond earlier. Will the Minister explain why his right hon. Friend the Secretary of State did not respond to the Welsh Affairs Committee's report on the constitutional reforms in time for those comments to be considered while the relevant Bill was being considered on the Floor of this House?

Mr Jones: As the hon. Lady will know, the Committee's report was only recently received. The Wales Office will do it justice by giving it full consideration and providing a mature and considered response.

Seaside Towns

6. **Chris Ruane** (Vale of Clwyd) (Lab): What recent discussions she has had with ministerial colleagues on the economy of seaside towns in Wales. [20329]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend has had regular discussions with ministerial colleagues on all issues affecting the Welsh economy, including the vital role that the prosperity of seaside towns plays. The Government are committed to working with the Welsh Assembly Government to promote Wales as both a tourism and an investment destination, so that seaside towns prosper as we deliver sustainable economic growth.

Chris Ruane: What assessment has the Minister made of the effect on seaside towns, especially Welsh seaside towns such as his and mine, of what Boris Johnson calls the "Kosovo-style" clear-out of people on housing benefits in inner cities?

Mr Jones: I can fully understand the hon. Gentleman's concern that after 13 years of Labour government the west ward of Rhyl became the poorest and most deprived area in the whole of Wales. In so far as benefits are concerned, the most important aspect of the matter is to ensure that housing is available in the west ward of Rhyl and in other parts of his constituency.

Guto Bebb (Aberconwy) (Con): Does my hon. Friend agree that tourism is a key part of the north Wales economy, and as such is it not inexplicable that the Assembly Government's economic renewal plan does not mention tourism at all?

Mr Jones: Yes. Tourism provides £4 billion per annum to the Welsh economy, and it is essential that we do as much as we can to encourage it. However, the north Wales coast regeneration area fund will also utilise private funding, and that is a Welsh Assembly Government initiative of which we approve.

Employment Opportunities

7. **Paul Flynn** (Newport West) (Lab): What recent discussions she has had with the Secretary of State for Business, Innovation and Skills on steps to increase employment opportunities in Wales. [20330]

The Secretary of State for Wales (Mrs Cheryl Gillan): May I apologise, Mr Speaker, for not welcoming the hon. Member for Pontypridd (Owen Smith) to the Front Bench? I am so incensed by the previous Government's treatment of the economy that it quite passed me by, but I would not want any impoliteness, and I welcome him warmly to the Front Bench.

I have had regular discussions regarding increasing employment opportunities in Wales with my right hon. Friend the Secretary of State for Business, Innovation and Skills, and he is as committed as I am to ensuring that the Welsh economy benefits fully from new growth in the economy.

Paul Flynn: Wales, and Newport in particular, have provided a successful and welcoming habitat for jobs that were relocated from London. Would it not be a great shame if the present cuts hit disproportionately Welsh areas, resulting in the reversal of that very successful process? Will the Secretary of State renew her efforts to persuade Government that a cut of 250 jobs at the Newport passport office would seem especially devastating if they understood the local situation?

Mrs Gillan: The hon. Gentleman knows exactly how I feel about the issues concerning the immigration and passport office, because I was delighted to welcome him and the hon. Member for Newport East (Jessica Morden) into the Department to meet the Minister for Immigration and me to discuss its future. The hon. Gentleman is absolutely right: Newport is a city that ranks third in the Lambert Smith Hampton study of the best office locations outside London. We have businesses there such as Admiral, Wales and West Utilities, and even the HM Prison Service shared service centre. I can assure him that I will make my best efforts to protect all the jobs in Newport that I can, and to promote Newport among my colleagues as a good place to which to relocate.

Jenny Willott (Cardiff Central) (LD): The Driving Standards Agency is planning to close its Cardiff office, with the loss of 80 jobs, partly as a result of the cost of office rental. Since the Government own a huge office estate in south Wales, will the Secretary of State work with colleagues to undertake an audit of that office space to see if it can be better used more efficiently in order to save jobs?

Mrs Gillan: I would be very willing to give that undertaking to the hon. Lady. In fact, if she writes to me with any details, I will be pleased to take it up with my colleagues. She should be aware, however, that I am talking to all the Departments right across Whitehall, as I did right at the beginning when I was first appointed, to suggest that Wales is a great place for them to relocate their expensive offices from other parts of the country. *[Interruption.]*

Mr Speaker: As usual at this time on a Wednesday, there are far too many private conversations taking place in the Chamber. It is very unfair on the Member asking the question and the Minister answering it, and it is also rather discourteous to the people of Wales.

Parliamentary Voting System and Constituencies Bill

8. **Kevin Brennan** (Cardiff West) (Lab): If she will discuss with the Leader of the House the convening of a meeting of the Welsh Grand Committee to discuss the matter of the effect on Wales of the provisions of the Parliamentary Voting System and Constituencies Bill. [20331]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): As I explained to the hon. Gentleman and his colleagues yesterday, there is no need for a meeting of the Welsh Grand Committee on this issue. Hon. Members have had adequate opportunity to discuss the implications for Wales of the Parliamentary Voting System and Constituencies Bill, including five days of debate in Committee and two days on Report and Third Reading, all on the Floor of the House.

Kevin Brennan: I see that Ministers are not answering again. When the Secretary of State refused, in an unprecedented way, to have a meeting of the Welsh Grand Committee, was her principal reason for doing so to snub Welsh MPs or simply to sabotage the Prime Minister's respect agenda—because she succeeded in both?

Mr Jones: The hon. Gentleman well knows that far from treating him and his colleagues with disrespect, there was in fact a meeting specially organised for Welsh Members of Parliament attended by the Bill Minister, the Secretary of State and me. There has been ample opportunity for discussion of this Bill on the Floor of the House, as the hon. Gentleman well knows.

Rail Projects

9. **Nick Smith** (Blaenau Gwent) (Lab): What recent discussions she has had with the Secretary of State for Transport on funding for cross-border rail infrastructure projects; and if she will make a statement. [20332]

The Secretary of State for Wales (Mrs Cheryl Gillan): My hon. Friend the Under-Secretary and I have regular meetings with ministerial colleagues to discuss a range of issues affecting Wales, including transport. We recognise that improved rail infrastructure is a vital component for delivering a successful economic recovery in Wales, and we are working hard with the rest of Government to ensure that this is achieved.

Nick Smith: Given that the great western main line is one of the UK's busiest, can the Secretary of State assure me that Labour's commitment to electrify the line between Bristol, Cardiff and Swansea by 2017 will be honoured?

Mrs Gillan: The hon. Gentleman knows that we recognise the importance of enhancing railway infrastructure to meet demand, and that is why the Government are investing £14 billion of the Department for Transport's £30 billion budget over the next four years in the maintenance of our railways. There will be further announcements on railway investment, and I very much hope that all the representations that have been made on the electrification of that part of the railway will find favour with the Secretary of State for Transport.

Mr Mark Williams (Ceredigion) (LD): Will the Secretary of State turn her attentions also to the transport infrastructure in mid-Wales and the train connection between Aberystwyth and Shrewsbury? We have been waiting a long time for an hourly service and a direct service to London, which requires Assembly funding. Will she look sympathetically on the Assembly's bids for funding for that train route?

Mrs Gillan: I happen to have a meeting with the First Minister tomorrow, so I can assure my colleague that I will raise the matter with him. As he knows, the Welsh Assembly Government and Network Rail have invested £13 million in enhancing the Cambrian line from Aberystwyth to Shrewsbury. That collaboration has led to a huge investment as part of the national stations improvement programme, which I hope my colleague will welcome.

S4C

10. **Susan Elan Jones** (Clwyd South) (Lab): What discussions she has had with the Secretary of State for Culture, Olympics, Media and Sport on the future funding and management of S4C. [20333]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend and I have had regular meetings with my right hon. Friend the Secretary of State for Culture, Olympics Media and Sport and with the Under-Secretary of State for Culture, Olympics, Media and Sport, my hon. Friend the Member for Wantage (Mr Vaizey), who is responsible for culture, communications and creative industries, to discuss these matters. The Government remain committed to the future of Welsh language programming and of S4C, and we regard S4C's settlement as fair and proportionate to the cuts that the Department for Culture, Media and Sport is being asked to make.

Susan Elan Jones: Does the Minister agree with the leader of the Welsh Conservatives that there should be an independent review of S4C?

Mr Jones: The Welsh Conservatives' proposal is, of course, that S4C should have a good, viable and vibrant future. It is for my right hon. Friend the Secretary of State to consider whether there should be an inquiry.

Decentralisation (Local Communities)

11. **Jonathan Evans** (Cardiff North) (Con): What recent discussions she has had with the First Minister on proposals to decentralise powers to local communities. [20334]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend has regular meetings with the First Minister on all issues affecting Wales. I will meet the Assembly Government's Minister for Social Justice and Local Government tomorrow.

Jonathan Evans: As the people of Wales may shortly vote for additional powers to be devolved to Wales, and as the Government take forward their localism agenda, does my hon. Friend agree that it is essential that as many of those powers as possible are devolved down from the Assembly to local communities and councils?

Mr Jones: Yes, my hon. Friend is right to the extent that I find huge enthusiasm among stakeholders in Wales for the Government's big society agenda, which seeks to devolve influence down to the lowest possible level. For that purpose, I will be having a meeting with the Minister for Social Justice and Local Government to discuss how the Welsh Assembly Government can participate in the process.

Ian Lucas (Wrexham) (Lab): How will the removal of the right of local communities to appeal to the Boundary Commission through public inquiries enhance the power of local communities?

Mr Jones: These are matters on which the hon. Gentleman has had plenty of opportunity for debate on the Floor of the House, and he has made his full contribution. *[Interruption.]*

Mr Speaker: Order. There is far too much noise in the Chamber. It is a veritable commotion. I want to hear Mr Philip Hollobone.

Departmental Budget

12. **Mr Philip Hollobone** (Kettering) (Con): Whether she plans to amend the administration and staff costs in her Department's budget for 2010-11. [20335]

The Secretary of State for Wales (Mrs Cheryl Gillan): My Department's budget for 2010-11 was fixed as part of the comprehensive spending review. On costs within my Department, since taking office I have been exploring ways to find efficiency savings and have already achieved significant savings on rail travel and hotel accommodation.

Mr Hollobone: Does the Secretary of State have any plans to reduce the number of days taken in sick leave by staff in her Department, so that it is the best in the public sector?

Mrs Gillan: I am not aware that there are different rates of sick leave in my Department from any other, but I will undertake to my hon. Friend to have a look at the records in my Department and return to the point in writing to him.

Mr Wayne David (Caerphilly) (Lab): Given that the Secretary of State's Department does not stand up for Wales, what does it do?

Mrs Gillan: My Department stands up for Wales, unlike the previous Secretary of State, who stood back from Wales, allowed it to become the poorest nation in the UK and then compared it to Rwanda.

Economic Support

13. **Neil Parish** (Tiverton and Honiton) (Con): What recent discussions she has had with Welsh Assembly Government Ministers on Government support for the economy in Wales. [20336]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have had regular discussions with both the First Minister and the Deputy First Minister on a range of topics, including working together to deliver strong, sustainable growth to the Welsh economy. We will continue to have discussions on supporting home grown enterprise and looking at attracting more foreign companies to invest in Wales. I will be establishing a Wales business advisory group to ensure that I am fully apprised of issues affecting Welsh businesses and what they need to help bring about growth.

Neil Parish: Does the Secretary of State agree that streamlining regulation and stimulating the private economy will be essential to the Welsh economy?

Mrs Gillan: My hon. Friend needs very little reply except to say that I wholeheartedly agree with him and will do my best.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [21197] **John Robertson** (Glasgow North West) (Lab): If he will list his official engagements for Wednesday 3 November.

The Prime Minister (Mr David Cameron): I am sure that the whole House will wish to join me in paying tribute to Sapper William Blanchard from 101 Engineer Regiment (Explosive Ordnance Disposal), who died on Saturday. The work that our sappers do to make areas safe both for our soldiers and for local people requires unbelievable acts of personal courage and selflessness; they are the bravest of the brave. William was a talented and caring soldier who will be sorely missed by all those who knew him. Our thoughts are with his family and friends, and we will not forget what he did.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

John Robertson: I associate myself, as do my hon. and right hon. Friends, with the Prime Minister's comments. Our soldiers and armed forces deserve our greatest respect, particularly at this time. They will not be forgotten.

Although it is not the Prime Minister's fault that 555 of my constituents may lose out when the education maintenance allowance is done away with in Scotland, the fact is that he made a promise in January, at a Cameron Direct event, to support EMAs. How many more promises to this country will he and this Government break?

The Prime Minister: What we are having to do is deal with completely broken public finances and sort them out. On the issue of the education maintenance allowance, we are committed to ensuring that every young person remains in education and training until they are 18. Also, we will be replacing the EMA with a learner support fund which, crucially, will be administered by the schools and colleges themselves, which are far better at identifying those young people who need help to stay in education.

Elizabeth Truss (South West Norfolk) (Con): Does the Prime Minister agree that RAF Marham should be retained as a base for the Tornado? It makes economic sense, as there is a strong skills base in west Norfolk. West Norfolk also has higher unemployment and higher deprivation than the area of the alternative base under consideration in Scotland.

The Prime Minister: My hon. Friend makes a good plea for her area, and she is absolutely right to do so. She will know that we are committed to retaining the Tornado, which has been a very effective ground-attack aircraft. We have not made the final decisions about basing, but I am sure that her remarks will be closely listened to.

Edward Miliband (Doncaster North) (Lab): I first join the Prime Minister in paying tribute to Sapper William Blanchard from 101 City of London Engineer Regiment (Explosive Ordnance Disposal). As the Prime Minister said, he died doing the bravest and most heroic work, and we send our deepest condolences to his family.

We fully support the actions that the Government are taking to tackle the terrorist threat that we saw re-emerge last week. Will the Prime Minister update the House on the review of air freight and passenger security, and tell us when he believes that it is likely to be complete?

The Prime Minister: I am grateful for the right hon. Gentleman's comments. As he knows, several steps have already been taken: stopping freight transport from Yemen and Somalia; suspending the carriage of toner cartridges in passenger hand luggage on flights departing the UK; and prohibiting the carriage of toner cartridges by air cargo into, via or from the UK unless they originate from a known consigner. As he said, we are reviewing all aspects of air freight security. It is a complicated and difficult issue, there is a meeting with the industry tomorrow, and we will update the House as soon as we can.

Edward Miliband: I thank the Prime Minister for that answer. May I take the opportunity to ask him about the wider context of the incident? Does he agree that, as well as the right measures on counter-terrorism, we need to tackle its roots? He knows that Yemen has long been one of the poorest countries in the middle east. That is why the Friends of Yemen conference was held earlier this year, and one is organised for next February. Will he update the House on the progress of the Friends of Yemen talks, and also the progress on the crucial International Monetary Fund plan for Yemen to deliver much needed economic reform?

The Prime Minister: What the right hon. Gentleman says is absolutely right. As well as good intelligence sharing and tough anti-terrorism legislation, we must deal with the root causes, and there is now a worrying strain of al-Qaeda terrorism coming out of the Yemen. One of the problems is that we need to ensure that that is the priority for the Yemeni Government, who are also dealing with other problems in their country. The Friends of Yemen process, which the former Prime Minister did a great deal to establish, is up and running. It is working well. The British are co-chairs of it with the Saudis, there was a meeting at the UN General Assembly, there will be further meetings, and the whole aim is to try to pressurise and work with the Yemeni Government to deal with the issues that affect the wider region and, indeed, as recent events show, us too. We will go on with that and we will continue, as we have committed, with our development budget to ensure that development aid goes to the Yemen. There is therefore a short-term issue of getting the Yemeni Government to concentrate on what matters, and a longer-term issue about economic development in the Yemen, which badly needs to improve.

Edward Miliband: I thank the Prime Minister for that answer, and thank him and the Home Secretary for keeping the House updated on those issues. I know that they will continue to do so.

Let me turn elsewhere. The Prime Minister has talked a lot about restoring trust in politics. What does he expect of members of his Government who gave cast-iron guarantees to their voters six months ago that they would vote against a rise in tuition fees?

The Prime Minister: What I would say to everyone who is part of the Government is that I think that they have all taken some courageous and difficult decisions to deal with something that, frankly, we all want. I think that every single person in the House of Commons wants strong universities that are well funded and have greater independence. We want to ensure that people from the poorest homes can go to the best universities in our country. The proposals will achieve that. They grew from a decision by the previous Government to set up the Browne report. What a pity that opportunism has overtaken principle.

Edward Miliband: The Prime Minister used to think that trust mattered. What did he say in his joint foreword with the Deputy Prime Minister to the coalition agreement?

"We both want a Britain where our political system is looked at with admiration, not anger".

Does the Prime Minister not understand the anger that there will be among the constituents of all the Members on the Liberal Democrat Benches? Does he not understand the anger that will be felt in Sheffield, Twickenham, Eastleigh—all their constituencies—about promises made and about to be broken?

The Prime Minister: Along goes the Milibandwagon, and on we jump. The right hon. Gentleman talks about trust. What did he write in the Labour manifesto about the Browne report, which he set up? The Labour party has completely broken its word. There is a debate now in Britain about how we get strong universities and people able to go to them without being put off. That is what we propose and he opposes. He should listen to the former Labour Trade and Industry Secretary, who was part of the Browne process. He said:

"The truth is there are many tax elements to the Browne plan. You only pay when you are earning above £21,000... Browne is essentially right".

Why not join the consensus instead of just playing political games?

Edward Miliband: I ask the questions at Prime Minister's questions. The Prime Minister talks about hard choices—he claims to be making a hard choice on tuition fees. I cannot believe that he is talking about hard choices this week, because whom has he chosen to put on the civil service payroll this week? His own personal photographer. There is good news for the Prime Minister—apparently he does a nice line in airbrushing. You can picture the scene, Mr Speaker, of the Cabinet photo: "We're all in this together; just a little bit more to the right, Nick."

Let me ask the Prime Minister in all seriousness, is it really a wise judgment when he is telling everybody to tighten their belts to put his own personal photographer on the civil service payroll?

The Prime Minister: The right hon. Gentleman asks the questions because he has no answers to anything. Is this what his Opposition leadership is reduced to? Let me give the House this figure. The previous Government—[HON. MEMBERS: "Answer!"] This is the answer. *[Interruption.]*

Mr Speaker: Order. The Prime Minister will be heard. There is far too much shouting going on, including by some very senior Members who ought to know better.

The Prime Minister: The last Government last year spent half a billion pounds on communications. We are cutting that by two thirds. That is what is actually happening. We will be spending a bit less on replacing mobile phones as well in No. 10 Downing street. Honestly, why not engage in the issues? We say that we need a new system to fund higher education, and that is what we are backing. The right hon. Gentleman says that he wants a graduate tax, the shadow Chancellor says, "Don't do it," and the shadow Trade and Industry Secretary is against it. What on earth is the Leader of the Opposition reduced to?

Edward Miliband: The Prime Minister cannot even defend his own decision. Is not the truth that we are learning that this Government are a Government of broken promises—broken promises on tuition fees, broken promises on VAT and broken promises on child benefit from the Prime Minister? That is what they meant by broken Britain. The Prime Minister used to say that he wanted to restore trust, but all he is doing, day by day, is destroying trust in politics.

The Prime Minister: The right hon. Gentleman can come here every week and have a succession of lame soundbites or engage in the substance about the future of our country. We know what he is against—he is against a housing benefit cap, against taking child benefit away from millionaires and against a benefit cap—but I think everyone is beginning to ask, "What on earth is he for?"

Mr Matthew Offord (Hendon) (Con): I am sure that the Prime Minister, and indeed the whole House, will join me in sending condolences to the family and friends of Marvin Henry, a young man who was shot and killed in my constituency just last week. What practical encouragement can the Prime Minister give to organisations such as the Watling boys club in Burnt Oak, which is attempting to direct young people towards positive role models and experiences rather than the fate that befell Marvin?

The Prime Minister: My hon. Friend makes an extremely good point. As we are making difficult decisions about public spending, we need to make sure that we go on funding organisations that divert young people away from crime. That is one reason why we have set up a special fund of £100 million this year and next year—to make sure that those organisations that need help get it, so that we keep giving young people things to do and divert them from crime.

Q2. [21198] **Julie Hilling** (Bolton West) (Lab): May I give the Prime Minister another opportunity to answer the question? Does he think that the 500,000 public sector workers facing the axe will be pleased to know that he has hired his own personal vanity photographer?

The Prime Minister: The last Government—half a billion pounds wasted on communication. That is being axed by this Government. That is what is happening. Opposition Members have a choice when they come here. They can read out the Whips' handout or think of a good question. Try again.

Q3. [21199] **Andrew Selous** (South West Bedfordshire) (Con): Can I encourage the Prime Minister to work with Members on both sides of the House who recognise the need for welfare reform, starting with the shadow Health Secretary, who has broken ranks to support a housing benefit cap?

The Prime Minister: My hon. Friend makes a very good point. We do need a debate about how we tackle the welfare system and get it under control. One of the best places to start with housing benefit is the Labour manifesto, personally written by the right hon. Member for Doncaster North (Edward Miliband). It said clearly—[Hon. Members: "Ooh!"] Well, they all stood on it, so they should be reminded of it. It said:

"Housing Benefit will be reformed to ensure that we do not subsidise people to live in the private sector on rents that other ordinary working families could not afford."

The level of opportunism is so great that even when we introduce their policies they oppose them.

Hazel Blears (Salford and Eccles) (Lab): The Prime Minister will be aware of the horrific explosion that took place in Salford this week. Our thoughts are with Marie Burns, the elderly lady who has been severely injured and is in hospital, and with the other people in hospital. Some 200 families have had to be evacuated from their homes and I wish to pay tribute to all of the emergency services and the city council, but most of all to the ordinary men and women of that community who have stepped forward. A grandfather rescued a child from the rubble, and neighbours opened the local pub and the leisure centre to give people comfort and shelter. They have done a fabulous job.

The costs of this event will be enormous and, like every other service, our council is facing significant reductions in its budget. Will the Prime Minister seriously consider what extra help he can give to those families to ensure that they are supported? My hon. Friend the Member for Worsley and Eccles South (Barbara Keeley)—*[Interruption.]* My hon. Friend, in whose constituency this took place, is with the community now—

Mr Speaker: We get the essence of it.

The Prime Minister: I think that the House is being unfair to the right hon. Lady. She is speaking powerfully on behalf of her constituents on an important issue. It was a dreadful accident, and we should think of all those people who have lost their homes and are in temporary accommodation. She is right to pay tribute not just to the emergency services but to ordinary people who have gone out and done extraordinary things.

As I understand it, the City West housing trust, which owns the properties, is working closely with the local authority to ensure that residents are able to return to their homes as soon as possible. The right hon. Lady raises the issue of funding, and of course there is the Bellwin scheme, but we will ensure that we respond as we can to Salford's needs.

Q4. [21200] **Peter Aldous** (Waveney) (Con): The East Anglian coast has some of the highest levels of deprivation in England and an urgent need for infrastructure development, but it has huge potential for creating jobs in the offshore renewables sector. Will the Prime Minister look again at the exclusion of the East Anglian coast from the £60 million allocated to establish offshore wind manufacturing at port sites, announced under the grant for business investment scheme last week?

The Prime Minister: There is a great opportunity for communities, especially coastal communities, to make the most of offshore wind, and I have spoken to several leading industrialists, who are thinking of investing in Britain, to ensure that the grants are there. As my hon. Friend will know, this grant scheme applies only to assisted areas. East Anglia is not an assisted area, but that does not rule out development taking place, and other sources of funding, such as the regional growth fund, can be applied to. I hope that he will look into those as he stands up for his community.

Mr Fabian Hamilton (Leeds North East) (Lab): Following the statement last week by the Secretary of State for Transport, will the Prime Minister give a commitment to the people of Leeds that the much needed new generation transport system, the trolleybus, will receive the Government funding that it has been promised for so long?

The Prime Minister: This issue is currently under consideration, and I am sure that the hon. Gentleman will be one of the first to find out the result.

Q5. [21201] **Mr Philip Hollobone** (Kettering) (Con): In the year to March, more than 1,000 foreign nationals in Northamptonshire applied for indefinite leave to remain in the United Kingdom, and a massive 80% of those applications were approved. Will my right hon. Friend reassure my constituents that, in this Government's legitimate efforts to reduce the backlog of asylum claims left by the previous Government, people will not simply be waved through and offered indefinite stays?

The Prime Minister: My hon. Friend makes a very good point. There is always a danger when there is a big backlog—we have been left one of 400,000 to 450,000 of asylum records—to just wave them through, but I assure him that there will be no amnesty. All cases will be considered on their individual merits. We are committed to getting immigration and asylum issues under control. We are looking at the last Government's points system, and even under their tier 1 of highly skilled people, it turns out that around 30% of those given leave to remain are in low-skilled roles. The current system is not working, and we are going to sort it out.

Heidi Alexander (Lewisham East) (Lab): I would like to return to the education maintenance allowance. In March, the Prime Minister came to Lewisham college and spoke to students about his plans. He said:

"We'll keep it. We've taken a look at it. We think it's a good idea."

Will he explain to me and the 1,150 students at the college who are currently receiving EMA why his Government are scrapping it?

The Prime Minister: Because we face the biggest budget deficit of any country in the developed world. That, frankly, is the prism through which such decisions must be seen. In politics there is a choice: either confront the problems in front of you and deal with them—that is what this Government are doing—or run away from them, like the Labour party. We are putting in place something that will be more targeted and more effective, but we must deal with the mess that we were left.

Pensions

Q6. [21202] **Mr Sam Gyimah** (East Surrey) (Con): What recent representations he has received on the likely effects on small businesses of the implementation of the Government's proposals for automatic enrolment in pension schemes.

The Prime Minister: I thank my hon. Friend for the question. The making automatic enrolment work review, which was published last week, examined the impact on businesses of the reforms. It concluded that small businesses did need to be included in the reforms if we are to bring about the improvement in savings for retirement necessary to tackle the consequences of an ageing population and widespread under-saving for retirement. These reforms will give 1.2 million people who work for small businesses the opportunity to save for their retirement. The review made a number of recommendations to try to help small businesses to introduce those reforms. We shall look at them extremely carefully to ensure that they are not too onerous.

Mr Gyimah: I welcome the Government's desire to encourage a savings culture. However, for many small businesses, every new piece of legislation, no matter how small, has a significant impact on the bottom line. Will the Prime Minister introduce a scheme that allows us to road-test all new legislation and its impact on small businesses?

The Prime Minister: My hon. Friend makes an extremely good point, and this policy will be road-tested on the bigger companies that must introduce it first. However, we must accept that there is a problem with only 10% of very small businesses having pension provision, so 1.2 million people will have the chance to save. We will look very carefully at the reforms, and they will not be introduced for small businesses until at least 2014.

My hon. Friend will know that I have appointed Lord Young to look at all the impacts on small businesses. We also have the one-in, one-out rule under which every new regulation must mean that another regulation is scrapped.

Q7. [21203] **Chris Ruane** (Vale of Clwyd) (Lab): Will the Prime Minister tell the House the total overall saving from reducing the overall number of elected MPs by 50, and increasing the number of unelected Lords by up to 100?

The Prime Minister: Let us start with the first thing: reducing the size of the House of Commons.

Chris Ruane: Costs.

The Prime Minister: Size and costs. I remind the hon. Gentleman that his Vale of Clwyd constituency has just 55,968 people—*[Interruption.]* I am sorry, but my constituency has many more than that. I am afraid that I must just ask him to work a little harder.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Earlier this year, the Prime Minister visited Westhill in my constituency. It is a world centre of excellence in sub-sea engineering. Will he ensure that the Home Office meets concerned local companies to discuss the future of the visa system to ensure that vital inward investment is not lost to this country? It supports thousands of local jobs.

The Prime Minister: We will certainly do that. As I said in answer to an earlier question, as we look through the last Government's points system and immigration policy, we really do believe that it will not be difficult to achieve much better immigration control without disadvantaging business. For example, things such as inter-company transfers should not be included in what we are looking at. I do not think we will have a problem. Given the very broken system that we inherited, there should be no problems improving it.

Q8. [21204] **Lindsay Roy** (Glenrothes) (Lab): In almost every answer at PMQs, the Prime Minister unfairly blames the challenges facing our country on the previous Government. Will he tell us about his biggest mistake as Prime Minister?

The Prime Minister: I will leave others to judge the many mistakes that I am sure I will make in this office. I am sure that, as a talented former head teacher, the hon. Gentleman would always say to his pupils, "You have to accept your responsibilities", and it is about time that that lot accepted theirs.

Q9. [21205] **Andrew Stephenson** (Pendle) (Con): Given what the former Chief of the Defence Staff said at the weekend, will the Prime Minister undertake never to veto essential defence measures because they are politically too difficult?

The Prime Minister: My hon. Friend makes a very good point. Let me first pay tribute to the outgoing Chief of the Defence Staff, Sir Jock Stirrup. He was a dedicated public servant who has done an extremely good job for our country. He made an important point: it is important not that politicians agree with the chiefs of staff on every occasion—there should be a lively debate between them—but that we should not, as politicians, put off essential decisions that need to be taken. In our defence review I think we have taken the tough and difficult decisions that were necessary.

Q10. [21206] **Emma Reynolds** (Wolverhampton North East) (Lab): It has recently been announced that there will be 300 job losses at New Cross hospital in Wolverhampton. Can the Prime Minister explain exactly how that squares with his promise to protect the NHS, or is this just another broken promise?

The Prime Minister: The promise that we made is a promise that has been delivered, which is to make sure that NHS spending, when we combine capital and

current spending, is going to increase in real terms every year. That is not a promise that has been backed by the Opposition, so if the hon. Lady is worried about NHS cuts, she should start talking to the shadow Health Secretary.

Greg Mulholland (Leeds North West) (LD): Talking of photographs, we know from the Conservative party conference that the Prime Minister, like me, enjoys a pint. As he knows, this is the first ever British pub week. Will he join me in celebrating this vital cultural and social institution? Will he commit to being a pro-pub Government, and will he join the save the pub group—

Mr Speaker: Order. I have been very helpful to the hon. Gentleman, and he should not abuse my help by trying to ask three questions when one will suffice.

The Prime Minister: I very much agree with what my hon. Friend says. I am a big supporter of British pubs, and I want us to be a pub-friendly Government. And yes, I am going to a pub this week. I cannot say where it is, because otherwise it would be discontinued, but I am looking forward to it.

Mr Ronnie Campbell (Blyth Valley) (Lab): It is estimated that 1.4 million people are going to lose their jobs, and it is also being said that when VAT rises in January, another 300,000 will be lost. Why is the Prime Minister picking on hard-working families? Why does he not take it out on the banks and the speculators who caused the problem in the first place?

The Prime Minister: This Government, unlike their predecessors, have introduced a banking levy, so the banks will be making a contribution. The hon. Gentleman cites the report that was published this week, but it has not been received with much enthusiasm by other organisations. For instance, the Institute of Directors said that it is

"dangerous for the CIPD to make headline-grabbing forecasts which are based on little more than a guess".

Hon. Members should spend less time talking down the economy and more time working out how we can get growth.

Gareth Johnson (Dartford) (Con): Does the Prime Minister agree that it would be wrong for convicted prisoners to be able to vote, as suggested by the European Court of Human Rights? The incarceration of convicted prisoners should mean a loss of rights for that individual, and that must surely include the right to vote.

The Prime Minister: I completely agree with my hon. Friend. It makes me physically ill even to contemplate having to give the vote to anyone who is in prison. Frankly, when people commit a crime and go to prison, they should lose their rights, including the right to vote. But we are in a situation that I am afraid we have to deal with. This is potentially costing us £160 million, so we have to come forward with proposals, because I do not want us to spend that money; it is not right. So, painful as it is, we have to sort out yet another problem that was just left to us by the last Government.

Q12. [21208] **Steve McCabe** (Birmingham, Selly Oak) (Lab): Following the previous question, how does the Prime Minister view the prospect of prisoners electing the new police and crime commissioners?

The Prime Minister: The hon. Gentleman raises yet another reason—*[Interruption.]*

Mr Speaker: Order. I am particularly anxious to hear the Prime Minister's answer.

The Prime Minister: The hon. Gentleman makes an excellent point about why this proposal is so bad, but I am afraid that we have to deal with the situation in front of us. Are we going to delay and delay and waste another £160 million of taxpayers' money, or are we going to take difficult action and explain it to the British public as best we can? I do not think that we have a choice if we are to do the right thing and save the Exchequer money.

Q13. [21209] **Sir Alan Beith** (Berwick-upon-Tweed) (LD): Is the Prime Minister aware that the split-site buildings of the Duchess's high school in Alnwick are in a far worse state than many of the schools included in Labour's Building Schools for the Future programme, but the school was always excluded from that programme? Will he make sure that it gets fair consideration under a much more focused and better managed scheme of school buildings?

The Prime Minister: I can give that assurance—that we are going to have a new scheme and there will be £15 billion of schools capital spending in the programme going forward. That will enable us to rebuild many schools—primary as well as secondary schools. I look forward to doing that.

Q14. [21210] **Jim McGovern** (Dundee West) (Lab): In answer to a question I put to the Prime Minister in July—and, indeed, in an answer to my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) last week—the Prime Minister said that the reason for not initiating tax breaks for the computer games industry was that they were poorly targeted. That seems to contradict talks I have had with his Ministers, who say that it is Government policy not to give tax breaks to any industry in future. Will the Prime Minister give me a definitive answer for the benefit of the House and my constituents?

The Prime Minister: The steps we took in the Budget, which I think were right, were to look at the tax system and try to simplify the corporation tax regime so that we could bring about one of the lowest rates of corporation tax in the developed world. That is what we have done—with cuts in corporation tax this year, next year and the year after to bring it down to 24%. That is what we are doing and we are paying for it by removing a number of allowances. I think it is a very progressive and sensible reform that will make Britain, including Scotland, one of the best places in the world to do business.

Speaker's Statement

12.32 pm

Mr Speaker: I have a short statement to make. Two Labour Members of the Backbench Business Committee have informed me that they wish to resign from the Committee, following their appointment to the Opposition Front Bench. Under the powers given to me by the Standing Orders, I have decided that a single by-election will be held to fill these two places on the Committee, and that the ballot will be counted under the single transferable vote method. The by-election will be held on Tuesday 9 November between 10 am and 2 pm in Committee Room 7 on the main Committee Corridor. Under the Standing Orders, I give notice that candidates must be Labour Members for their candidature to be valid in this by-election. Nominations may be submitted to the Table Office between 10 am and 5 pm on Monday 8 November.

Higher Education Funding

12.33 pm

The Minister for Universities and Science (Mr David Willetts): With permission, Mr Speaker, I would like to make a statement on higher education funding and student finance. This follows the statement made by my right hon. Friend the Secretary of State for Business, Innovation and Skills on 12 October.

Our higher education system has many strengths, but also faces challenges: the need for more focus on the student experience, the need to widen access and the need for sustained funding. These challenges led the previous Government, on a cross-party basis, to set up Lord Browne's review. We are grateful to Lord Browne for his excellent work. I think he has made us all re-examine our positions.

On 12 October, my right hon. Friend said that the coalition endorsed the thrust of Lord Browne's report, but was open to suggestions, before making specific recommendations, which would be radical and progressive. We have listened very carefully and with open minds, so I can now give the details of our proposals.

First, we will introduce a progressive system of graduate contributions to the cost of their university education, with nobody having to pay up-front fees. Lord Browne suggested that there should be no cap on the graduate contribution; we believe that a limit is desirable and are therefore proposing a basic threshold of £6,000 a year, and in exceptional circumstances there would be an absolute limit of £9,000. No publicly funded university will be able to charge more than that for its undergraduate courses. Because there will be a cap, we see no need for institutions to pay back a proportion of the graduate contribution as a levy to the Exchequer, as proposed by Lord Browne.

We are also proposing a more progressive repayment structure. At present, graduates start repaying when their annual incomes reach £15,000. We will increase the repayment threshold to £21,000, and will thereafter increase it periodically to reflect earnings. The repayment will be 9% of income above £21,000, and all outstanding repayments will be written off after 30 years. Raising the threshold will reduce the monthly repayments for every single graduate.

We will introduce a real interest rate on a progressive taper. For graduates earning less than £21,000, the real interest rate will remain at zero. For graduates earning between £21,000 and about £41,000, a real rate of interest will be tapered in to reach a maximum of inflation plus 3%. When graduates are earning more than £41,000, they will be making a full contribution to the costs of the system, but still incurring interest well below normal commercial rates. Under our proposals, a quarter of graduates—those on the lowest incomes—will pay less overall than they do at present.

The Government are committed to the progressive nature of the repayment system. It is therefore important for those on the highest incomes post-graduation not to be able to buy themselves out of the progressive system unfairly by paying off their loans early. We will consult on potential early repayment mechanisms similar to those paid by people who prepay their mortgages. Those mechanisms would need to ensure that graduates on modest incomes who strive to pay off their loans early

[Mr David Willetts]

through regular payments are not penalised. For example, a 5% levy might be charged on additional repayments each year over a specified amount such as £1,000 or £3,000. Alternatively, those on higher incomes—for example, over £60,000—who made an additional repayment could be required to pay a 5% levy on that sum.

Although participation in higher education has improved in recent years, there has not been enough progress in securing fair access to some of our best-known universities. We can make progress by improving the school attainment of pupils from disadvantaged backgrounds. That is why the Government are investing in a new premium for two-year-olds, and in the pupil premium. However, we want that focus on improving the life chances of those from disadvantaged backgrounds to continue to university. For that reason, as the Deputy Prime Minister has already announced, we will also establish a new £150 million national scholarships programme, which will be targeted on bright potential students from poor backgrounds to encourage them to apply to university and meet their aspirations.

All universities that want to charge a higher graduate contribution than the £6,000 threshold will be obliged to participate in the national scholarships programme. We will consult students and university organisations on the details. We will seek to increase the leverage of Government funding by securing matched funding from universities. Our current preference is for universities to offer scholarships to targeted students, including the principal beneficiaries of the pupil premium. That would mean that at least their first year at university was free. Other attractive ideas include expanding the model of a foundation year for young people with high potential but lower qualifications.

To ensure that the universities that charge tuition contributions above the £6,000 threshold take account of their particular responsibilities to widen participation and fair access, we will introduce a tougher regime of sanctions. Each institution will draw up a new access agreement with the Office for Fair Access. It would be expected to include activities such as outreach initiatives to attract more pupils to apply from disadvantaged backgrounds, and targeted scholarships and financial support for poorer students. OFFA will agree with universities a programme of defined progress each year towards their access benchmarks as calculated by the Higher Education Funding Council. If they are not making adequate progress towards those benchmarks, a mechanism will be established to allow OFFA to redirect a proportion of the income from contributions over £6,000 to specified access activities.

Our student support system is one of the most generous in the world. We will make it more progressive. Lower-income students, while studying, will get improved help with their living costs. Students from families with incomes of up to £25,000 are currently eligible for a maintenance grant, which is not repayable, of £2,900; we will increase that to £3,250. Those from families with incomes of up to £42,000 will be entitled to a partial grant. There will also be increases in maintenance loans for students from families with incomes from £42,000 to £60,000. We will also retain a higher maintenance loan for those studying in London.

All parties agree that the current system gives a raw deal to part-time students. They are particularly likely to be mature or disadvantaged students. Even the great higher education reports of the past, such as Dearing and Robbins, largely ignored them. Lord Browne has confronted the challenge head on. At last, under our proposals part-time students will be entitled to a loan for tuition on the same basis as full-timers, and this support will be available to those studying for at least a third of their time, unlike the current grants for tuition, which are only available to those studying for over half their time.

Overall therefore, this is a good deal for universities and for students. The bulk of universities' money will not come through the block grant, but will instead follow the choices of students. It will be up to each university or college to decide what it charges, including the amounts for different courses. All universities and colleges, whatever contribution they decide to charge, will be expected to publish a standard set of information about their performance on the indicators that students and their parents value: contact hours, teaching patterns and employment outcomes. We also propose to open up higher education provision to new providers, including further education colleges. These proposals offer a thriving future for universities, with extra freedoms and less bureaucracy, and they ensure value for money and real choice for learners.

We need to act quickly so that prospective students know where they stand. We intend to implement these changes for the 2012-13 academic year. We will therefore bring to the House our proposals on changes to graduate contributions before Christmas. Both Houses will have the chance to debate the proposals before a vote is taken. I am today placing in the Libraries of both Houses additional material that explains the modelling that we have done. We will also take powers next year to set a real interest rate for graduate contributions. We will, as usual, publish the details of the university financial settlement for 2011-12 in our annual funding letter to HEFCE next month.

Later this winter, we will publish a higher education White Paper covering the wide range of long-term issues that arise from Lord Browne's report. We will hope to bring forward legislation in due course. Given the time scales, we would not expect to be implementing those changes before the 2013-14 academic year.

Lord Browne's report has rightly generated much debate. When the review was established exactly a year ago, it was on a cross-party basis. I hope the Opposition will feel able to maintain that spirit. From our side, the two parties in the coalition have accepted the report's broad thrust and are today putting together a single, coherent and progressive policy. It will deliver a better deal for our students, for our graduates and for our universities. I commend it to the House.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I am grateful to the Secretary of State for giving me an advance copy of his statement, but is not the truth that what he has announced today is a tragedy for a whole generation of young people? It makes it much more difficult to protect our world-class university system and, for the country, puts the very building blocks of our economic future at risk. Even though there has been movement since the Business Secretary's statement,

is it not the case that our students will now face some of the most expensive and worst-funded degrees of any public university system, with students paying fees that are higher than those of the average public university in the United States? Our universities will be plunged into turmoil, facing massive funding cuts just when we need them most, supporting economic growth. All this because of choices being made by the coalition. The first is the choice to make reckless cuts in public spending. The second is the choice to put a disproportionate share of those cuts on to higher education. The third is the choice to bring about the biggest and most ideological upheaval in higher education since the Robbins report in the 1960s. All this is set to be rushed through Parliament without proper consultation with the sector and without our even yet having a higher education White Paper to tell us how this brave new world is supposed to work.

Is the reason why fees will be so high not very simple? Despite the Prime Minister's claim that he wants to see well-funded universities, is the truth not that what motivates today's announcement is a massive cut in the funding of universities? We are talking not about a cut of 19%, 25% or even 40%, but about an almost 80% cut in the undergraduate teaching budget. Is the truth not that universities will lose millions of pounds, that the London School of Economics stands to lose all its teaching funding, that Oxford and Cambridge between them will lose almost £56 million a year in teaching funding, that Sheffield Hallam university will lose more than £63 million and that Kingston university will lose more than £44 million? The Government do not have to do this, but the Minister and his friends in the Conservative party want to do it. They believe that a crude competitive market, with the Government largely kept out of the way, is the best way forward for higher education.

Like Lord Dearing, Labour Members believe that higher education funding should be a partnership between taxpayers and graduates. It should involve the taxpayer because the whole country benefits from good higher education and graduates get a direct personal benefit. So how much extra income will our universities have as a result of the Minister's proposals today? Our fees brought more than £1 billion extra into higher education. Most graduates will now be expected to pay for the whole cost of their degrees. Many courses vital to a growing economy, such as those in the creative arts and digital industries, will receive no public funding. Why is this country joining Romania as the only OECD country to be cutting investment in higher education and science?

Has not the right hon. Gentleman managed to produce the worst of all possible worlds? Not only will most graduates be paying off their debts for 30 years and most universities will need to charge fees of at least £7,500 just to avoid losing money, but with some universities charging £9,000 many students will feel forced to choose the cheapest course, not the one that is best for them. Why does the coalition reject any idea that universities, employers, students and the Higher Education Funding Council should work together to make sure that we have the quality higher education that we need? Everyone believes that student choice is important, but why do the Government rely entirely on the choices made by students, who have very different levels of knowledge, aspiration and confidence about what higher education can offer them?

Labour Members welcome moves to improve access for those from low-income backgrounds, but does the right hon. Gentleman recognise how unfair the system will seem to those on middle incomes, who have worked just as hard to help their sons and daughters get to university? The Business Secretary says that he is against a graduate tax. Is it not true that Lord Browne proposed a system where more than half of graduates will pay 9% of their relevant income every year for 30 years and never pay off their debts? How many more now will never pay off their debts as a result of the Minister's proposals? Will he confirm that those who are wealthy enough to pay up-front fees will pay less than those on middle incomes, such as teachers, police officers and engineers, who have to take out a loan? He says that universities will be able to charge the most fees only if they are working to increase access for those from low-income backgrounds, but is the truth not that universities are already carrying out the very measures he says they will now have to carry out? So his comments today on access are just a meaningless fig leaf.

The right hon. Gentleman has proposed today that higher earners should pay higher interest rates. Will that raise extra money? If so, will the extra payments go back into higher education or back to the Treasury? This is the day we found out how much Liberal Democrat ministerial cars cost—£9,000 a year, for students. All those principles so boldly championed have been forgotten; all those solemn promises to students and their families up and down the country waved away. All so that the right hon. Member for Tatton (Mr Osborne) can carry on as the real Deputy Prime Minister. After weeks of being told that Liberal Democrat Back Benchers were in full rebellion, have tuition fees been reduced as a result? No, they are set to treble. What a huge success those Back Benchers have had and how they have made their leadership listen. This is not a sustainable system of university funding and it is not a fair system of student finance. We will not support it.

Mr Willetts: What we just heard from the hon. Member for Harrow West (Mr Thomas) was a classic old Labour attack, when all it can do is complain about cuts and make its own uncosted and indiscriminate public spending pledges. Last week we heard from the shadow Business, Innovation and Skills team that they did not approve of what we are doing on regional development agencies. They want to spend more on RDAs. Today we hear that they want to spend more through HEFCE on universities. How would they pay for it? What is the costing of that? Are we supposed to cut the science budget, which we are protecting so that we can invest in our future? Are we supposed to cut apprenticeships, which we are increasing by 50,000, or is it just a general belief that public spending can rise, from the party that brought us the fiscal crisis that we are having to tackle?

Even with the fiscal crisis that we face, we are nevertheless able to produce proposals that are progressive and recognise that there is a continuing role for Government. It remains the case that of every £100 that Government loan to students, just as with the previous Government, we accept that we will not get back £28 because it is a necessary subsidy for poorer students and people who have intermittent earnings. We have improved the maintenance package. As part of our Government's

[Mr Willetts]

commitment to our universities, we have secured a ring-fence for science and research spending, much of which money will go to our universities.

The hon. Gentleman asked specifically about student choice. I thought his point about student choice got to the heart of the difference between us in the coalition and the Opposition. He says, "You can't trust students to choose." We say, "Of course, we trust students to choose, but we are committed to more information, better information, advice and guidance, and proper careers advice because we want to see students driving the system." That is what we believe in, and students will know that the Opposition do not trust them.

The hon. Gentleman asked about interest rates. The higher interest rate of the retail prices index plus 3% will go into financing the system as a whole, but it is a more favourable interest rate than anyone would be able to secure on the open market for a loan of the sort that is being offered—an unsecured loan that does not have to be repaid if the borrower's income falls below £21,000.

What was missing from the hon. Gentleman's speech was any clear Labour alternative. He announced that he was against this policy, but he did not explain what his policy was. Surely we are at least entitled to know whether he agrees with his own leader. The Leader of the Opposition—I quote from only 14 October this year—said:

"I do favour a graduate tax. I said that during the campaign and that remains my view . . . I am someone who believes in the graduate tax."

That is the policy of the Leader of the Opposition. As for the shadow Chancellor, he has a rather different view. Also in the past few weeks he said:

"I like the two lads"

that is, the right hon. Members for Doncaster North (Edward Miliband) and for Morley and Outwood (Ed Balls)—

"dearly, but I can't understand why they are pushing the Graduate Tax and even going further in suggesting the introduction of tuition fees was one of the things we got wrong. It wasn't. . . It was one of the things we got right."

If Labour cannot even resolve a fundamental disagreement between the shadow Chancellor and the leader of their party, why should we take what it says on this subject remotely seriously?

Stephen Williams (Bristol West) (LD): I thank the Minister and the Secretary of State for working constructively together to construct a graduate contribution scheme that has many progressive elements in it and is a much fairer system than was left behind by the last Labour Government, especially for students who study part-time. But the Minister knows that my concern, and that of my colleagues, has always been to make sure that students from poor backgrounds are not put off accessing the best universities in our country. Will he confirm that the access arrangements that he outlined will be rightly demanding of universities, but will be transparent and easy to understand for prospective students?

Mr Willetts: The hon. Gentleman makes an important point. He is correct that part of the process whereby the coalition developed these policies was a recognition of the importance of improving access to some of our most prominent universities. We are absolutely committed to what he proposes.

Several hon. Members *rose*—

Mr Speaker: Order. A very large number of colleagues are seeking to catch my eye so, as usual, brevity from both Back Bench and Front Bench is vital if we are to make some decent progress.

Mr Jack Straw (Blackburn) (Lab): May I first repeat to the Minister the commendation expressed by my right hon. Friend the Member for Southampton, Itchen (Mr Denham) on the statement of 12 October for the work of Lord Browne? On any basis, whatever the final view that people take, it was an extraordinary effort.

May I press the Minister on what will happen to the Exchequer contribution to universities? That is a matter for the Government, not for Lord Browne, and it seems to us in the Opposition to be the most serious defect in what the right hon. Gentleman is now proposing—almost that pound for pound, the increase in fees will be used to offset a reduction in Exchequer contribution.

Mr Willetts: Our proposals do, indeed, save public money, but they are not simply a matter of saving public money. They are also a reform of higher education in universities, which we believe will strengthen them and offer a fair deal for students, especially students from poor backgrounds. The overall position is that we will set out in the letter we will be sending to HEFCE at about the end of this year what the teaching grant is, but much of the money that currently reaches universities through the teaching grant and through HEFCE will in future get to universities via students and through the choices that they make. They will not have to make any up-front payment, but they will be expected to make a graduate contribution after they are earning in order to pay for the university education that they enjoy.

Mr David Evennett (Bexleyheath and Crayford) (Con): I particularly welcome the statement today from my right hon. Friend as it relates to part-time students in further education colleges, which is good news for the sector. Does he agree that it is essential that we have well-financed and excellent, world-class, independent universities offering a good student experience and student choice?

Mr Willetts: I am grateful to my hon. Friend. He is right, and I know that he was a lecturer in an FE college before. The opportunity for the delivery of more higher education in FE colleges is an example of one of the many freedoms that we are trying to introduce.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): The Minister has rightly emphasised measures taken to improve access for low-income students. In my constituency, West Bromwich West, the education maintenance allowance, coupled with the Aimhigher project, have made significant improvements in the take-up of university places by lower-income students. Can the Minister guarantee that whatever steps are taken to replace those—if indeed they are replaced—the level of Government funding under the previous Government will be maintained?

Mr Willetts: What I can guarantee is that we will place on universities an obligation to achieve the things that were previously being achieved by the kind of schemes that the hon. Gentleman described. That, we think, is the best place for the obligation to fall, and we are looking carefully at the best and most effective way in which that can be done, but it should be for individual universities to come up with their proposals for how they can best improve access.

Margot James (Stourbridge) (Con): I congratulate my right hon. Friends on achieving increased funding for the university sector while avoiding students having to pay anything up front and not having to start repaying their loans until they are almost on average earnings. I also welcome the impetus behind attracting students from poorer backgrounds. May I draw the attention of my right hon. Friend to the foundation course offered by King's college London's medical department, and the impact that that is having in getting poorer students in to study medicine? Could he comment further on initiatives to encourage universities to that course of action?

Mr Willetts: That is exactly the kind of initiative that we wish to encourage. It is obviously up to individual universities to come up with proposals that they wish to put forward, but I agree that that proposal is a very interesting model from which we can learn.

Jo[illegible] Ruddock (Lewisham, Deptford) (Lab): What analysis has the Minister made of his proposals on our world renowned institutions, such as the music and dance conservatoire Trinity Laban in my constituency?

Mr Willetts: I am not aware of the specific financing point that the right hon. Lady has in mind. I have to say that I had an interesting discussion with our drama schools and conservatoires and I felt I was able to persuade them that many of our ideas would give them the greater freedom they wished for.

Mr Charles Kennedy (Ross, Skye and Lochaber) (LD): The Minister of State and our right hon. Friend the Secretary of State both well appreciate the long-established reasons why I cannot go along with this particular direction of travel. It is to do not just with the last election but with the two previous general elections, during which I had the privilege to lead the Liberal Democrats. We made a lot of this policy area, as the Minister well knows.

That being said, may I come back to what the Secretary of State said to me in the House on these matters on 14 October? He referred to

"the growing funding crisis in Scottish universities".—[*Official Report*, 14 October 2010; Vol. 516, c. 469.]

We all acknowledge that whatever one's view of this policy in England, there is an immediate knock-on financial impact on the Scottish sector, particularly on those Scottish universities in the Russell group. As the Minister is coming to visit Glasgow—we are looking forward to welcoming him—will he confirm that it is of intense importance that Ministers in London keep the communication line open with Scotland to ensure that we do not skew the playing field intellectually within the United Kingdom?

Mr Willetts: I accept the right hon. Gentleman's point—it is very important that we consider the links between the English and Scottish systems while respecting the Scottish devolution settlement that means we do not have direct responsibility for the teaching settlement. Of course, research is also a UK-wide responsibility and that is an area in which we are committed to supporting Scottish universities through the research funding. Of course, as my right hon. Friend the Business Secretary made clear the other day, we accept the right hon. Gentleman's invitation to consider the Scottish angle.

Pete Wishart (Perth and North Perthshire) (SNP): Tuition fees—started by Labour and taken up with such relish by the Con-Dem Government—could, as the right hon. Member for Ross, Skye and Lochaber (Mr Kennedy) said, have a disastrous impact on Scottish universities. Will he therefore pledge not to bully and cajole further the devolved nations to follow these appalling proposals? Will he respect our tradition and culture of free education in Scotland?

Mr Willetts: I do respect the devolution settlement. From reading the press, it is clear that there is a growing debate in Scotland about how Scotland is to finance its universities in the longer term. I watch with interest some of the suggestions that are emerging as part of that Scottish debate.

Mr Rob Wilson (Reading East) (Con): May I welcome the statement by my right hon. Friend, particularly for part-time and disadvantaged students? As a recent visitor, he knows that Reading has an excellent university whose success has been partly constrained by a central cap on student numbers. Will my right hon. Friend confirm that under his plans universities will now have the freedom to recruit students in an open market?

Mr Willetts: I do remember my visit to the university of Reading, which is a very impressive university. One of the chapters in Lord Browne's report tackles the crucial question of how we can have greater freedom and flexibility in the regime on student numbers. Our proposals today do not directly touch on that, but it is one of the issues that we want to tackle as we put forward our long-term response to Lord Browne. Our belief is in greater freedom and flexibility for individual universities.

Mr Andrew Smith (Oxford East) (Lab): Does the Minister understand that this is fundamentally about trust in politics and will he confirm that all his key proposals, including the huge cuts in teaching funding, will be subject to a vote in this House so that those on the Government Benches—including the Business Secretary—who are so shamefully breaking their promises can be held to account?

Mr Willetts: I thought that my right hon. Friend the Business Secretary, in his statement on 12 October, set out very powerfully the reasons why we offered this broad endorsement of Lord Browne's proposals. We are of course bound by the coalition agreement and we believe that these proposals meet the criteria set out in the coalition agreement. Of course there will be an opportunity for the House of Commons to vote on them.

Conor Burns (Bournemouth West) (Con): On Friday, I will be attending the graduation ceremony of Bournemouth university, voted Britain's No. 1 new university. Future graduates of Bournemouth and other universities will welcome the Minister's proposal to increase the repayment threshold to £21,000. Is he in a position to give the House more detail on how that will be reviewed in coming years so that the threshold goes up along with average earnings?

Mr Willetts: It clearly will be important to uprate that figure periodically on the basis that my hon. Friend suggests, and we will consider that. He is absolutely right that one of the most progressive features of these proposals is the fact that the repayment threshold, which is currently £15,000, will increase to £21,000—different from a graduate tax, which would have meant people making higher payments as soon as their incomes went above £6,500.

Andrew Miller (Ellesmere Port and Neston) (Lab): What analysis has been undertaken to consider the differential impact on different universities, different types of universities and different faculties? Will the Minister publish any such analysis, because it is quite clear from discussions with some vice-chancellors that some institutes are at risk as a result of the proposals?

Mr Willetts: The crucial decisions will be taken by students. It will be the universities that win the students that also win the funding that comes with the students. It is right that we must expect a diversity of responses from universities. When it comes to individual departments, universities will wish to consider whether they have a single charge at an agreed rate across all their departments or whether they want to propose different charges for different departments. That will be a decision for them.

Simon Hughes (Bermondsey and Old Southwark) (LD): Can the Minister tell the House which categories of future part-time or full-time students in Southwark and everywhere else in England will be financially better off under these proposals than under the current arrangements?

Mr Willetts: We believe that people will be assisted in several ways. The increase in the maintenance grant for the poorest students at university is a clear gain for them—an improvement in the current system. In fact, we believe that more than half a million students will be eligible to get more non-repayable grant for living costs than they do now. We believe that about a quarter of graduates will contribute less than they do now, and indeed around half will have some of the balance written off. We have tried to rise to the challenge of ensuring that this is a progressive settlement.

The hon. Gentleman asked about part-timers. We estimate that about 60,000 part-timers are currently eligible for a tuition grant, and under our proposals about 150,000 may be eligible for loans on a more extensive basis than at present.

Mr David Lammy (Tottenham) (Lab): The decision to withdraw state funding from arts and the humanities entirely—from politics, geography and history—is a huge constitutional decision that cuts to the heart of what it means to be a democratic country. Will the Minister confirm that there will be a vote on the Floor of the House, not in a Committee room, and that the entirety of his proposals—widening participation and the fee levels—will be debated together?

Mr Willetts: There will be a vote on the changes that are necessary in the regulations for fees that are in the legislation that we inherited from when the right hon. Gentleman's party was in government. Yes, I fully recognise that this is a matter of great interest to Members on both sides of the House and we undertake that that debate should take place on the Floor of the House. The exact amount of time will of course be for the usual channels and party managers to decide.

Paul Uppal (Wolverhampton South West) (Con): Is the Minister aware of the words of Michael Arthur, chairman of the Russell group of universities, this morning? He said of the coalition's funding initiative that it sends a signal that the Government recognise

"the importance of higher education to the future of our country, its economy and our ability as universities to help the country out of recession."

Mr Willetts: I did hear that interview and I thought that the leader of the Russell group made the point very well. We are backing our universities. The combination of the new freedoms we are offering them today and the excellent settlement for research and science in the comprehensive spending review enables them to go forward on a solid footing.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Many of the students at Liverpool's three fantastic universities have been helped by the Aimhigher programme. Across the UK, the programme has helped more than 2,500 schools and 300 colleges and has provided summer schools at which young people can stay for three to five days. It has provided impartial workshops and bespoke programmes, particularly for people with disabilities as well as for looked-after children. Will the Minister guarantee that all the activities currently provided by the Aimhigher programme will continue under his plans?

Mr Willetts: It will be for individual universities to put forward their proposals on what they believe to be the most effective way of widening participation and access. It will then be for the Office for Fair Access to set, with them, benchmarks for their progress. We think that trusting universities to come forward with initiatives and then rigorously assessing their performance against them is the right way forward.

Iain Stewart (Milton Keynes South) (Con): I, too, warmly welcome the announcement regarding part-time students; it will do much to help the Open university, which is much cherished on both sides of the House. On making higher education more flexible, may I urge the Minister to look closely at the model being pioneered by University Centre Milton Keynes in partnership with local FE colleges?

Mr Willetts: My hon. Friend is a very powerful champion of the Open university, which I have enjoyed visiting in his constituency. The aim is to have much more flexibility, and the models he describes are the kind that we wish to flourish in a more diverse university system.

Sammy Wilson (East Antrim) (DUP): The Minister has described his proposals as delivering

"a better deal for our students,"

but given that costs might go up by 100%, many people will not see them as a good deal. What steps is he taking to ensure that universities do not simply increase fees for students rather than considering the costs of the degrees they are supplying, which seem excessive in many cases?

Mr Willetts: The hon. Gentleman is absolutely right. We need to have tough pressures on universities to hold down their costs in times such as these. That is why the £6,000 threshold we propose will act as a discipline on universities and will ensure that they have to hold down their costs. We expect universities to respond to that pressure, and the Secretary of State and I have made it clear to universities on many occasions that we expect greater efficiencies and the holding down of costs as a result of the proposals.

Nicola Blackwood (Oxford West and Abingdon) (Con): Some of the best and brightest students and researchers in the country come through Oxford universities and contribute enormously to our economy and society. I welcome much of the report as progressive and I believe it can offer as sustainable a funding solution as possible in the current economic climate, but can the Minister assure me that the proposals will not compromise our universities' international competitiveness? Also, will he explain how he intends to improve careers and financial advice for students as we expect them to make greater contributions?

Mr Willetts: It is very important that our internationally competitive universities are able to compete with the best in the world. That is why we understand their arguments about the need to recruit and retain staff of the highest quality. My hon. Friend is absolutely right about information, advice and guidance and I know that the Minister for Further Education, Skills and Lifelong Learning is working very hard in the Departments for Business, Innovation and Skills and for Education to ensure that we have a significant improvement in those areas. The destruction of the professional careers advice function under the previous Government has been a disaster for social mobility.

Helen Goodman (Bishop Auckland) (Lab): A couple of months ago, the Minister published a book about the unfair advantages that the baby boomers had. Will he explain why he has now come to the House with a proposal that will burden the next generation instead of following the example of my hon. Friend the Member for Harrow West (Mr Thomas) in placing the burden, through our taxes, on those of us who had such an excellent free education?

Mr Willetts: I am grateful to the hon. Lady for the plug for my book—that was very good of her. It is available in all good bookshops. I do not accept the way that she characterises our policies, which will offer a better deal for students because universities will have to focus on the quality of the teaching experience they offer. Graduates, not students, will have to pay the costs only when they are earning £21,000 or more, which is close to median earnings.

Dr Julian Huppert (Cambridge) (LD): I welcome some of the changes. They are more progressive than the Conservatives would have achieved on their own, more progressive than Browne and more progressive than the Labour party intended—the same Labour party that introduced both fees and top-up fees having promised not to. However, I do not support an increase in the cap, as the Minister well knows. Does he share my concern that the increased level of student debt will provide a disincentive to students entering university and will make it harder for them to get mortgages and loans after they leave?

Mr Willetts: I hope that the hon. Gentleman recognises that the proposals clearly offer a progressive way forward whereby graduates will have to start repayments only when they earn more than £21,000 a year. That will have a crucial implication for the issue he raises because their monthly repayments will be lower than they otherwise would have been. They will be paying at the rate the previous Government fixed, at 9%, but they will be paying 9% of their earnings over £21,000 rather than those over £15,000. When many building societies and lenders assess young people and graduates for mortgages, they will see lower monthly outgoings under our proposals than they would under the system that we inherited from the previous Government. I hope that the hon. Gentleman will consider that important point.

Fiona O'Donnell (East Lothian) (Lab): Why does the Minister think that the Lib Dems in coalition with Labour in Scotland stuck to their promise to students whereas those in this coalition are so willing to break their pledge?

Mr Willetts: When I follow from the sidelines the debate in Scotland about financing its universities, it is clear to me that many universities in Scotland are concerned that they are not on a secure, long-term financing basis and that they are looking at a wider range of options. They might even be reading Lord Browne's report with interest.

Gavin Barwell (Croydon Central) (Con): Croydon college has recently started offering degrees from the university of Sussex. Does my right hon. Friend agree that there is huge potential for a much more diverse higher education sector in which people can study degrees from our top universities closer to home, potentially over two years rather than three?

Mr Willetts: A cause to which my right hon. Friend the Secretary of State attaches particular importance is having a more diverse range of degree courses, particularly two-year courses. We need the kind of freedoms we are putting forward and the incentives we are describing today to encourage that type of provision in future.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): The Minister referred to the interest rate that will be reclaimed as 3% plus inflation without being precise about which measure of inflation he was adopting. I think I detected from a subsequent answer that he was proposing to use the retail prices index. Given that the Government propose to substitute the consumer prices index for the RPI in relation to a huge range of benefit payments that involve the Government paying out, why

[Mr Nick Raynsford]

is he proposing to adopt the RPI in this regard, particularly considering that he has talked about trying to minimise repayment costs for students?

Mr Willetts: We are, of course, following the precedent set by the previous Labour Government.

Amber Rudd (Hastings and Rye) (Con): In January 2010, it was estimated that 18.5% of school-age children in Hastings were on free school meals, against the national average of 14%. Can the Minister reassure me that the national scholarship scheme will particularly help the young people in my constituency, some of whom come from very low-income families?

Mr Willetts: My hon. Friend makes a very important point. The ambition is to tie together a coherent package of support going through the different stages of childhood and on into adulthood. There is more help for early years, we have the assistance in the pupil premium for children on free school meals and we are using those sorts of criteria to continue to assist those young people through into university. That is absolutely our aim; there is a lot more work to do on the detail of the national scholarship scheme, and her thoughts and those of Members on both sides of the House will be very welcome as we develop our proposals.

Angela Smith (Penistone and Stocksbridge) (Lab): The Government's policy represents a major shift in all sorts of ways, not least because it is based on a massive 80% reduction in public sector funding for higher education teaching. Surely, therefore, it is crucial that the Government ensure a proper debate on those changes by publishing a White Paper as soon as possible.

Mr Willetts: We are going to produce a White Paper, and I have also made it clear that there will be a proper opportunity for debate in this House.

Mr Robin Walker (Worcester) (Con): I congratulate the Minister on delivering what the Secretary of State promised, something even more progressive than the Browne review, and I reassure my hon. Friend the Member for Cambridge (Dr Huppert) that plenty of progressive Conservative Members have been pushing for just that. However, the great step forward in support for part-time students will benefit a great number of mature students, and my local university, the university of Worcester, looks after many of them. Does the Minister accept that many of those people are concerned about the suggestion in the Browne report of a UCAS points threshold? As his statement does not address that issue, can he assure me that the White Paper will?

Mr Willetts: Those are exactly the kind of long-term issues in Lord Browne's report, and my hon. Friend is quite right: we were not able to cover them in the statement. A lot more consideration is required, and that will lead into the White Paper that we will publish over the winter. My hon. Friend was also quite right in that this is absolutely a coherent, single, coalition proposal, in which we have worked together as a coalition and come up with a set of proposals that will probably be better than either party could have come up with on its own.

Roberta Blackman-Woods (City of Durham) (Lab): The Minister suggests that the proposals are good for universities, so will he explain how it is good for them to have 80% of their teaching income withdrawn? Why is he not making it clear that the money from additional fees will largely be replacement income, not the additional investment that our universities need to be internationally competitive?

Mr Willetts: The money will reach universities in a different way; it will come via the choices of students. Students will not have to pay out of their back pocket—they will not have to pay directly—but eventually the money will reach universities. When graduates benefit from higher earnings as a result of their study at university, their graduate contribution will pay for the system. A graduate contribution is the right way—an equitable way—of paying for that system, because it empowers students and, at the same time, secures progressive access to universities.

Andrew George (St Ives) (LD): The lobby for university students is particularly powerful, but for those studying for vocational qualifications less so. In that light, can the Minister reassure me that today's proposal will not have a detrimental impact on those students from low-income backgrounds who study for such qualifications?

Mr Willetts: All Ministers in the Department for Business, Innovation and Skills are very strongly committed to the vocational route. One thing that has gone wrong with this country has been the creation of a bottleneck owing to the belief that university is the only route into a career and a well-paid job. We will put forward our skills strategy in the very near future, and I hope the hon. Gentleman will recognise that it addresses absolutely the point that he rightly raises.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I am in no way a nationalist, but there is clearly an impact on Scotland, even under the current fees structure, with many English students moving to cheaper education in Scottish universities. If the fee is a graduate fee, would it not be appropriate for the Minister to say that his minimum charge of £6,000 should follow every student who leaves England for cheaper education in Scotland?

Mr Willetts: We will be in close touch with the Scottish Administration, and of course we will continue to have our arrangements for funding English students when they go to Scotland.

Matthew Hancock (West Suffolk) (Con): I detect widespread support for the proposals to improve access to universities, which is an extremely important issue. Does the Minister think, therefore, that it is incumbent on all of us, whether or not we support the whole package, to make sure that we explain to students and to people thinking of going to university that they will not pay anything until they earn £21,000 and that access will be broader?

Mr Willetts: My hon. Friend is absolutely right, and the crucial thing is the number of young people who are anxious because they think that they somehow have to pay fees up-front, when that is not the case. *[Interruption.]* During the Labour leadership contest over the summer, it became clear that at least one candidate seemed to

believe that students paid fees up-front. That is not the system, and our proposals, with our new graduate contribution, are a fairer, more progressive way, because the point at which graduates start repaying will be so much higher than it is at the moment.

Liz Kendall (Leicester West) (Lab): As well as giving extra support to those on low incomes, a genuinely progressive student finance system would ensure that those who ended up on a middle income, let us say of £21,000 to £41,000, paid proportionately less of their income and lifetime earnings than higher earners. Can the Minister guarantee that that will be the case?

Mr Willetts: Yes. On the estimates that we have done—and we are placing some of our figures in the Library, not least because of the request from the shadow Secretary of State—it is clear, contrary to the rather misleading report in *The Guardian* the other week, which in turn drew on some work by the Social Market Foundation, that as graduates go through each stage on the earnings scale, they will be expected to pay more.

Greg Mulholland (Leeds North West) (LD): I accept and welcome the fact that this proposal is more progressive than the current system, but I cannot accept that it has to be tied to an increase in fees. That is something that I cannot and will not accept. Will the Minister acknowledge some perversities within the idea of increasing fees? First, increasing fees to £6,000 leads to the possibility that students going into lower-entry courses and institutions will subsidise those on higher-entry courses. Secondly—

Mr Speaker: Order. The hon. Gentleman will resume his seat. I am sorry but this is the second—*[Interruption]*. Order. This is the second time that this has happened today. There are lots of Members trying to get in. I want to help the hon. Gentleman and other Members, but we cannot have twin-hatted questions. It will not do.

Mr Willetts: I am not aware of any feature of the proposals which would lead to the cross-subsidy that concerns the hon. Gentleman.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Considering that higher education funding structures in Wales are more or less tied to those in England, following our adoption of top-up fees, what discussions has the Minister had with the Welsh Assembly Government concerning today's announcement?

Mr Willetts: I have had discussions over the months with Leighton Andrews, who has described to me his proposals for Wales, where I know there is an ongoing debate about university financing. I hope to be able also to have a quick phone conversation with him about our proposals today and, of course, to keep in close touch.

Damian Hinds (East Hampshire) (Con): Does my right hon. Friend agree that, although it is undeniably true that earlier generations of students, including most of us, got a much more generous deal, it was always based on a very restrictive formula for exactly to whom it could be generous? We all benefited. In future, if we want to have wider access, improve social mobility and protect the high quality of our university education, which does carry a cost, exactly this sort of measure, which ties contribution more closely to cost, will be necessary—

Mr Speaker: I am grateful. I call the Minister.

Mr Willetts: My hon. Friend is absolutely right. Many of us in this House benefited from a higher education system that was funded in a very different way from today's system, and we were able to enjoy that system only because such a small proportion of young people went to university. As we see so many more people going to university nowadays, which is a trend that we welcome, it is right and necessary to put university financing on a better basis.

Several hon. Members *rose*—

Mr Speaker: Order. I would like to accommodate a few more, but I really do appeal to Members to help each other.

Lilian Greenwood (Nottingham South) (Lab): Does the Minister not understand that many talented young people will simply feel unable to choose to go to university because they will be terrified of leaving with debts hanging over them of more than £20,000, which they might never be able to pay off?

Mr Willetts: I hope that the hon. Lady will join me in sending the very clear message to young people that the system is not like having a credit card debt of £20,000. It is a graduate contribution scheme in which there is no repayment unless someone earns more than £21,000, and, if for whatever reason, they become unemployed or withdraw from the work force during that time, they will not have to make any repayments. It is far better than conventional debt, and it is important for all of us in all parts of the House to make that clear.

Andrew Stephenson (Pendle) (Con): How does today's announcement sit with the Government's wider approach to higher education, such as the funding of the science and research budget and other university income streams?

Mr Willetts: In the comprehensive spending review, we were able to secure a very good settlement for science and research, protected with a ring fence. The combination of that ring-fenced support and these reforms offers a very good, strong prospect for our universities.

Chris Williamson (Derby North) (Lab): Will the Minister stop referring to his policy as progressive and fair, because it is no such thing? What assurance can he give me that the university of Derby, which is one of the institutions that could be adversely affected by his proposals, will still be in business in 10 years' time?

Mr Willetts: Our proposals are progressive, because they help to encourage people from poorer backgrounds to go to university, because of the higher education maintenance grant, and because of the higher repayment threshold. That crucial commitment to taking progressive measures is one of the reasons we commend these proposals to the House.

Mary Macleod (Brentford and Isleworth) (Con): I welcome the progressive and fair announcements that my right hon. Friend has made. How can we ensure that we still get enough science, engineering and technology graduates, and how will this measure help?

Mr Willetts: This relates to the mechanisms whereby the teaching grant is allocated. For the more expensive, lab-based courses, there will of course continue to be teaching grant to recognise the extra costs involved in delivering those courses. We believe that that will maintain a continuing level playing field for STEM—science, technology, engineering and mathematics—subjects.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): The right hon. Member for Ross, Skye and Lochaber (Mr Kennedy) has already detailed some of the implications for Scotland. May I ask the Minister specifically about the impact of the RAB—resource accounting and budgeting—payments, which will have a direct impact in Scotland? My hon. Friend the Member for Glasgow North (Ann McKechin) wrote to the Secretary of State on 12 October asking for a meeting with Scottish MPs, but despite continual chasing up, that meeting has not yet happened. Will he undertake that it will happen as soon as possible so that we can discuss these issues with Scottish MPs?

Mr Willetts: We have to respect the devolution settlement, and I am very aware that we are talking about higher education finance for England. However, I keep in close contact with Scottish colleagues, and I am sure that the Secretary of State or I will be very happy to have such a meeting.

Christopher Pincher (Tamworth) (Con): Does my right hon. Friend agree that these welcome proposals will begin to even up the opportunity for British students who, when competing for places at our best universities, compete with overseas students with bigger cheque books?

Mr Willetts: I hope that these proposals will ensure that British students have a very fair deal at our universities; indeed, that is a key feature of our proposals.

Paul Farrelly (Newcastle-under-Lyme) (Lab): The Minister will no doubt be pleased that in the past fortnight the six-point timetable for scrapping tuition fees has been deleted from the section of the Liberal Democrat website called "What we stand for". Strangely enough, however, it does not mention any rise in fees. My question is another book plug. In his recent memoirs, the Secretary of State described himself as a "free radical", but in reality has not he, and every single Lib Dem Minister, now become a £9k Conservative?

Mr Willetts: I think that "free radical" captures very well the enormous contribution that the Secretary of State makes—and what a pleasure it is to work alongside him.

Duncan Hames (Chippenham) (LD): If raising the repayment threshold is to benefit every single graduate, in the Minister's words, can he confirm that current students—and indeed, current graduates—will see their repayment threshold raised also?

Mr Willetts: The hon. Gentleman makes a very important point. These are proposals for the future, which come in for 2012. They are not retrospective changes, and for current graduates the existing regime will not be changed. This is only for the future from 2012 onwards. I am grateful for this opportunity to make that clear.

Nic Dakin (Scunthorpe) (Lab): My question rather follows on from that point. Young people who are in their final year of a level 3 course—say, doing A-levels—might choose to take a gap year next year and therefore apply to UCAS through deferred entry for a 2012 start. Will they be affected by these changes, or will they go to university under the current rules?

Mr Willetts: All students going to university in 2012 will do so under the regime that I have proposed to the House. Some young people—this is a very important practical point—may already have applied for deferred entry as part of not going to university in 2011-12. Admissions procedures are the responsibility of individual universities, but we hope that universities and UCAS, working together, will open a window to enable those young people, if they wish, to have the opportunity of going to university in 2011.

Mr James Clappison (Hertsmere) (Con): May I warmly welcome my right hon. Friend's statement and this package, which is a good deal for students and universities? Can he give me an assurance that while universities will rightly be under an onus to attract applicants, and to give appropriate financial support in certain cases, admissions to university will remain a matter entirely for individual universities judging on individual merit and academic potential?

Mr Willetts: My hon. Friend is absolutely right. Universities must maintain control of their individual admissions procedures; of course, we respect that freedom. Although we are absolutely committed to broadening access, the reports in the press this morning about so-called quotas were completely misleading. Neither the Secretary of State nor I believes in quotas.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Everything that the Minister has said about student choice suggests that we are moving towards a market in higher education. When I asked the Secretary of State about this when we discussed the Browne report, he gave a categorical assurance that we are not moving towards a market. Which one of them is right?

Mr Willetts: We are in a system where there will be a continuing and very important role for the Government, through providing financial support and through the new regulatory regime that emerges as we think through the proposals from Lord Browne, and where there is a very clear cap—a threshold of £6,000, and in exceptional circumstances, up to £9,000. That is the right way of combining freedom of choice for students and the legitimate role of public policy.

Andrew Percy (Brigg and Goole) (Con): I have never liked tuition fees; I did not like them when the Labour party introduced them. My concern is for people going into our public services who will most likely be just

above the £21,000 threshold but will then be faced with having to pay down tens of thousands of pounds-worth of debt. What can we do to encourage the very best graduates to continue to go into our public services rather than to take the possible route of going for a dash for cash as they attempt to pay off these huge fees?

Mr Willetts: I hope that the careers advice and guidance function will be very important in this respect, because those are indeed very satisfying careers to which many young people aspire. I hope that my hon. Friend agrees that, with the new threshold of £21,000, people in the circumstances he describes will face lower monthly repayments than they do under the current system.

Mark Hendrick (Preston) (Lab/Co-op): Prior to the general election, the Government parties rubbished Labour's proposals to get more than 50% of young people into higher education. Now they are talking about widening access. What effect does the Minister think that the abolition of the education maintenance allowance will have on wider access, and what effect will the £6,000 to £9,000 cap have? Is it not a huge disincentive?

Mr Willetts: We believe in broadening access, but we do not believe in artificial targets for the number of people going to university. The 50% target was a suspiciously round number—it did not sound like a carefully thought through proposal. We believe that the number of people going to university should emerge as a consequence of the choices of those who have the aptitude to do so.

Julian Smith (Skipton and Ripon) (Con): The £150 million scholarship fund is great news for low-income students, but many young people tell me that they are unclear about what bursaries and scholarships are available to them. May I urge my right hon. Friend to promote this fund so that every young person is aware of the great opportunities that exist to get free education if they need it?

Mr Willetts: My hon. Friend is right. Some evaluations sadly show that bursaries, despite a large amount of money going into them, have not been very effective in broadening access to university. That is why we want to give universities much greater freedom to design schemes that actually work. A single £150 million national scholarship scheme is a great opportunity to communicate the fact that support will be available.

Gavin Shuker (Luton South) (Lab/Co-op): Many Members will have heard about the tripling of tuition fees this morning on Radio 4, and the Minister has given further details from the Dispatch Box. Given that these are the biggest changes to student funding in a generation, why does he believe that the Business Secretary has been struck mute today?

Mr Willetts: The Secretary of State and I work so closely together that we are, for all practical purposes, interchangeable.

Rehman Chishti (Gillingham and Rainham) (Con): I welcome the Minister's statement as a constructive and progressive way forward. Will he clarify whether students from my constituency who go to university in London will receive a London weighting with their maintenance grant?

Mr Willetts: My hon. Friend is quite right to raise that matter. We are indeed committed to keeping the special arrangements for London maintenance.

Alex Cunningham (Stockton North) (Lab): Medical students face many extra years of learning and could end up with debts in excess of £70,000, enough to buy a small house in the north-east of England. We need many more home-grown doctors. What will the Government do to help reduce the burden on such students and encourage them?

Mr Willetts: I do not recognise the figure of £70,000, and of course there is continuing support from the Department of Health towards the costs of medical education.

Mr Sam Gyimah (East Surrey) (Con): Does the Minister agree that one purpose of higher education is to equip our students for the workplace, and that by allowing the money to follow the students, we can put real pressure on universities and force them to up their game?

Mr Willetts: One of the big sources of frustration for students at the moment is that they do not feel that they get enough practical experience of the world of work while they are at university, and they do not think they are properly prepared for it. That is why we are asking all universities to produce a statement of what they are doing to ensure employability for their students. We want much more, and much more precise, information to be available in future so that prospective students can see the graduate employment prospects of individual courses at individual universities.

Sheila Gilmore (Edinburgh East) (Lab): The Minister's boss said in the House when he last spoke on the matter that the reason why he and his colleagues had swallowed these proposals, and indeed their pledge, was the need to pay down the deficit within five years. If the change is about deficit reduction in such a short period, why is it necessary to invent a system that will burden several generations of students?

Mr Willetts: We have been completely frank with the House throughout in saying that of course there are public expenditure savings here, which are necessary because of the mess that we inherited from the previous Government. However, this is not simply a matter of saving public money. We are also using the challenge of doing that to propose what we believe is an improved and progressive system. We are delivering reform as well as saving public money.

Mr Philip Hollobone (Kettering) (Con): I understand that there is now no target for the proportion of young people who go into higher education. Will my right hon. Friend tell the House what proportion of young people do so today, and what his central estimate is of the proportion who will do so in 10 years' time, after the new scheme has come in?

Mr Willetts: Slightly over 40% of people now go to university. We envisage the absolute number of students remaining broadly flat, although we cannot be sure exactly. To ensure that the vocational route is available, we are also investing in 50,000 extra apprenticeships this year, rising to 75,000 by the end of the public expenditure period, as an alternative route into well paid work for many young people.

Steve McCabe (Birmingham, Selly Oak) (Lab): The Minister is a very honest man. Does he genuinely believe that the next generation of middle England will be gainers rather than losers as a result of the debt that he is loading on to them?

Mr Willetts: I hope that the experience of young people at university will improve as a result of these reforms. Under successive Governments, we have ended up with a system that has sharp incentives for research but not comparable incentives to focus on teaching. These changes will lead universities to focus much more on the quality of the academic experience and the teaching that goes on at university, and young people will be the beneficiaries of that.

Julie Hilling (Bolton West) (Lab): I am really concerned about the effect of these proposals on universities such as Bolton, which draw their students largely from poorer backgrounds. Specifically, has the Minister considered the effect of raising the fees so high on students from Islamic backgrounds, who for religious reasons are reluctant to take interest-bearing loans, or are prohibited from doing so?

Mr Willetts: We have indeed considered that carefully, and we are very happy to meet representatives from the Islamic community to discuss it with them further. Our belief is that the terms on which the money is being lent are so much more favourable than the commercial terms available in the market that they would not be covered by Islamic rules, but we are happy to discuss the matter further with the Islamic community.

Paul Blomfield (Sheffield Central) (Lab): The Minister has admitted that this is not simply about saving money and is in fact a fundamental and deeply ideological remodelling of our university system, with the withdrawal of public funding from the majority of courses and the introduction of a market in which the best courses will cost up to 50% more than the basic fee level proposed. There was no mandate for either governing party introducing those changes. We know about the worthless pledges that the Liberal Democrats made, but the Conservative party did not have anything about the changes in its manifesto. Is it right, therefore, that these proposals should be rushed through, or should we wait for a full debate when the White Paper is published, about what sort of higher education system we want?

Mr Willetts: Many of the proposals emerged from the report of an inquiry that the previous Government set up, which Labour Ministers endorsed. The previous Government set out the terms of reference, and I was consulted, which I appreciated. They were agreed and made public, and the proposals are within the terms of reference of the cross-party inquiry.

Chris Bryant (Rhondda) (Lab): The bottom line is that for a three-year course, fees will cost £27,000. Adding on the costs of going to university, accommodation and so on, especially for students living away from home, the cost could be £45,000. That is double the average wage in my constituency and the cost of a small house. I passionately believe in choice and in the ability of every young person in my patch to choose the course that they want to study at the university of their choice. How will the Minister ensure that that choice is available to them, particularly as many of them might otherwise feel that they have to go to a university in Wales rather than having the freedom to go anywhere across the UK?

Mr Willetts: I do not recognise the hon. Gentleman's figure of £45,000. The crucial point, which Members of all parties should get across, is that this is a graduate contribution scheme, and people will have to start paying back only if they are earning more than £21,000 a year, which I suspect is higher than median earnings in his constituency.

Tessa Munt (Wells) (LD) *rose—*

Mr Speaker: Order. I will let her off on this occasion, but let me just say to the hon. Lady, who is a new Member, that although she is not the only offender, Members really should not wait until virtually the end of a statement and then suddenly start popping up when I am about to move on. I will let her have her say today.

Tessa Munt: Sorry, Sir, and thank you.

I have discovered that £19 million of bursary money was apparently not spent last year. Does the Minister believe that is correct, and will there be some way of preventing that appalling situation from ever happening again?

Mr Willetts: I was not aware of that specific sum of money, but I would be interested in looking into the matter further. There is certainly a wider problem that bursary spending does not appear to be influencing access and participation by prospective students. That is why we believe there should be initiatives by individual universities, and that their performance should be monitored externally. That will be a far more effective way of spreading participation and broadening access to our universities.

Mr Speaker: I am grateful to the Minister and to other colleagues for their co-operation.

Point of Order

1.48 pm

Valerie Vaz (Walsall South) (Lab): On a point of order, Mr Speaker. On 15 September I raised with the Prime Minister the case of Sakineh Ashtiani. Reports suggest that she will be executed today. Almost 190 Members across parties have signed a letter to the President of Iran asking for her to be saved. Are you aware of an urgent statement by the Prime Minister in respect of discussions with the President to stop that barbaric execution?

Mr Speaker: I am grateful to the hon. Lady for her point of order. The short answer is no, I am not aware of any intention on the part of either the Prime Minister or the Foreign Secretary to make a statement on that matter. I appreciate the urgency of the situation that the hon. Lady has described, but my hands are tied. I say to her that she should as a matter of urgency, that is immediately after these exchanges, consult the Table Office about other opportunities to raise the matter sooner rather than later. If it can further help, although I appreciate that it may be too late—I hope not—she should look to Foreign and Commonwealth Office questions next Tuesday, when she might seek to catch my eye.

If there are no further points of order, we come to the ten-minute rule motion, for which the hon. Member for Walthamstow (Stella Creasy) has been waiting patiently.

Consumer Credit (Regulation and Advice)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.49 pm

Stella Creasy (Walthamstow) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to impose certain limits on consumer credit interest rates and charges; to establish a levy on credit and debit card providers to fund the provision of debt advice services; to give powers to local authorities to restrict the provision of premises for licensed consumer credit agencies within a local area; to make provision regarding the availability of certain financial services products at branches of the Post Office; to make other measures relating to the regulation of, and availability of advice on, consumer credit; and for connected purposes.

This Bill is intended to address the needs of the poorest consumers in Britain. In presenting this Bill to the House, I hope to show how the Government can and must do more to support those who face financial hardship as a direct result of this Government's Budget. Opposition Members have already set out their concerns about the spending review and the economic policies of this Government. We know that half a million people in the public sector will lose their jobs in the coming years. Experts predict that a further half a million or more jobs will be lost in the private sector as investment is wrung out of our economy.

Recent research from the university of Cambridge highlights the fact that personal debt is related to economic growth. As our economy stumbles under the weight of cuts, we know that more people will be forced to borrow to keep their families financially afloat. However, my Bill is not about public spending, but about a less widely publicised consequence of the Budget.

Loan sharks are now circling Britain's poorest families, watching them struggle financially and sensing a business opportunity. The chief executive of one of them has stated that as a direct consequence of the spending review, he expects to see a growth in his target market. Indeed, following 20 October, his share price has already risen 5%, dependent as it is on unemployment and poverty. Such companies offer loans to those for whom credit cards and banks are out of reach—mainly women, the low-paid and those with a poor credit history. Research suggests that approximately 6 million people in Britain are in that position, some 1.5 million of whom are currently indebted to these pay-day lenders.

My Bill reflects my experience of working in Walthamstow with the Movement for Change and local campaigners. It also supports work being done nationally by the Better Banking coalition, Compass and Citizens UK as well as other Labour MPs. We have seen first hand how this is a market without competition. Just six companies control 90% of the loans made, which means that they can set the terms of trade. Such companies make money by locking people into cycles of debt, with interest rates starting at around 272%, and rising up to 2,500% or more. If people miss a payment by a day, they incur a charge, on which interest is added, and then there are the administration fees and fines, on which more interest is added. If they get into problems, they can always borrow more, thus starting the cycle of debt again.

Debt destroys not just bank balances, but the lives of those who live with the fear of the bailiff or the panic of repossession hanging over their families. A recent survey

[Stella Creasy]

found that a third of British parents are arguing about debts with their partners, and suffering the stress of sleepless nights. I know that I do not need to tell hon. Members about these issues, because many of them, like me, will have had constituents asking them what to do about these problems.

The previous Government understood such problems well. They introduced the Consumer Credit Act 2006, took action on loan sharks and supported the development of credit unions in communities as an alternative source of loans and financial services. The new Government have announced a review of the provision of consumer credit, yet they commit only to action on store cards and credit cards, so they ignore millions of people in our country for whom access to those sources of credit is not available and for whom these companies are their only option.

Within a monopoly market that generates massive profits, it is vital that the Government make a clear pledge to intervene to protect the poorest consumers. Opposition Members believe that the ones who will end up shouldering the brunt of the comprehensive spending review need our help, and this Bill seeks to do just that.

First, the Bill proposes to regulate the total cost of borrowing. Mr Speaker, if I lend you £20 and say, "Pay me back next week and buy me a drink at the same time," depending on where we went for our pint, in practice that could be an annual interest rate of 2,000 or 3,000%. Thus, if we focus only on interest rates, we miss a trick. Capping only those, and, to the same extent, all types of loan, may prevent small-scale lending and leave some consumers with no choice but to go back to illegal loan sharks. It would also do nothing to address the impact of compound interest on the costs or late-repayment fees.

This Bill would give the Government powers to intervene where the total cost of borrowing is excessive, and also to regulate how much interest different financial products—be they credit cards, short-term emergency loans or hire-purchase agreements—can carry. Such forms of regulation have already been successfully implemented in places such as America and Canada. That is why it is disappointing that the UK Government have made no firm commitment to consider such regulation in the current credit review.

Secondly, this Bill seeks to impose a levy on those who sell credit to pay for debt counselling and advice services. Just as the drinks industry came together to recognise its responsibilities through instigating Drinkaware, so it is right that these companies do the same for those who get into financial difficulties. What I am talking about is specialist debt-management counselling. Counsellors can give one-on-one sessions to families to help them get back on their feet by negotiating with creditors, helping families to navigate what support they are entitled to and identifying how best they can live within their means.

I welcome the Government's continued support for the previous Administration's work on a levy on banks for this matter, but I hope that they recognise the need both for financial advice services and advocacy and for the excellent and expert organisations, such as Consumer Credit Counselling Service, Citizens Advice and Christians Against Poverty.

Thirdly, the Bill aims to help local communities manage the presence of such organisations within their localities. My own local authority has been creative in using planning laws to manage the proliferation of fast-food outlets near our schools. This Bill would give local authorities clearer powers to regulate the numbers of credit-selling agencies operating within their locality, thus helping communities to choose how to manage the presence of such organisations in their neighbourhoods.

Finally, this Bill contains proposals to improve access to affordable credit, particularly through the credit unions, and I pay tribute to the excellent work of the Waltham Forest Community credit union that helps more than 4,000 people in my local area. Such proposals would build on the work done by the previous Administration to support the development of credit unions. The Bill requires the integration of the back-office technology of the Post Office network with the credit unions, so that many more people can access credit union services, including small loans, in any post office in the country at a much lower rate of interest than the legal loan sharks offer.

I have asked repeatedly for meetings with Ministers to discuss these proposals and seek their support. I know that they agree that tackling such problems is something that Governments should do—or at least many of their Front Bench did in 2005 when they signed an early-day motion calling for an interest rate ceiling. I hope now, in 2010, that I can help them to rediscover their consciences, and so I ask again for them to meet me and other campaigners to talk through the proposals in this Bill and how we can help the poorest consumers in Britain.

If the Government are intent on pushing their Budget on Britain, they will raise the number of families in our communities who are living with the daily misery of debt. They must therefore take responsibility for their actions. They must give the same consideration to the needs of those for whom the never-never is a fact of life as they do for those with an Amex card or a trust fund. I ask the House to support this Bill and help stop the legal loan sharks who now circle our local communities sensing blood.

Question put and agreed to.

Ordered,

That Stella Creasy, Tom Blenkinsop, Liz Kendall, Heidi Alexander, Mr Dennis Skinner, John McDonnell, Jon Cruddas, Yvonne Fovargue, Alex Cunningham, Sheila Gilmore, Natascha Engel and Fiona O'Donnell present the Bill.

Stella Creasy accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 4 February and to be printed (Bill 103).

Bloody Sunday Inquiry (Report)

1.58 pm

The Secretary of State for Northern Ireland (Mr Owen Paterson): I beg to move,

That this House has considered the matter of the Report of the Bloody Sunday Inquiry.

This debate follows the publication of the report on 15 June and my right hon. Friend the Prime Minister's statement in this House in response. I should like to thank the tribunal for its report. I have read it in full, and it is clearly a remarkable piece of work.

Let me reiterate the Government's clear position on the report. Lord Saville's conclusions are shocking. What happened on Bloody Sunday was both unjustified and unjustifiable. As my right hon. Friend the Prime Minister said, we do not honour all those members of the armed forces who bravely upheld the rule of law in Northern Ireland by hiding from the truth.

I am sure that hon. Members are familiar with many of the conclusions in the report, but I should put on record again some of the tribunal's key findings. Lord Saville found a

"serious and widespread loss of fire discipline"

by members of support company of the Parachute Regiment who entered the Bogside,

"as a result of an order...which should not have been given."

He found that

"despite the contrary evidence given by the soldiers...none of them fired in response to attacks or threatened attacks by nail or petrol bombers."

He also found that many of the soldiers

"knowingly put forward false accounts in order to seek to justify their firing".

In some of the most shocking sections of the report, Lord Saville concludes that some of those killed or injured were fleeing or going to the assistance of others. The report says that Patrick Doherty was shot while

"crawling...away from the soldiers".

It refers to Alexander Nash, who was

"hit and injured by Army gunfire after he had gone to...tend his son".

Lord Saville records that James Wray was shot, in all probability,

"when he was lying mortally wounded on the ground."

For those looking for statements of innocence, the report is clear that

"none of the casualties was posing a threat of causing death or serious injury, or indeed was doing anything else that could on any view justify their shooting."

As my right hon. Friend the Prime Minister said, we do not defend the British Army by defending the indefensible. It is clear from the tribunal's unequivocal conclusions that some members of our armed forces acted wrongly.

I reiterate the Government's apology for the events of that day. The Government are deeply sorry for what happened.

Just as the report is clear in its conclusions on the unjustifiable actions that took place in Londonderry on Bloody Sunday, so, too, is it clear in its other findings. There is no suggestion in the report that there was any premeditation or conspiracy by the UK Government, the Northern Ireland Government or senior members of the armed forces. Lord Saville said that there was no evidence that the authorities tolerated or encouraged

"the use of unjustified lethal force."

The process surrounding the report has been the subject of much controversy. None of us could have anticipated that the inquiry would take 12 years or cost nearly £192 million. Our views on that are well documented, but I firmly believe that it is right that our main focus now is not on the controversies surrounding the process, but on the substance of the report's conclusions.

Mr John Baron (Basildon and Billericay) (Con): I concur with my right hon. Friend's points. I have seen at first hand the sacrifice of our security forces when serving in Northern Ireland, and their excellent work in preventing a difficult situation from getting much worse. Does my right hon. Friend agree that he should do everything in his power to stop the report being used by one side against another? It is more important to move forward and make progress in the Province in future.

Mr Paterson: I thank my hon. Friend for his comments, which I endorse. Lord Saville and his colleagues go to some length in the report to say that they do not pass judgment and that the inquiry was not a court of law. They were simply trying to establish the facts. My hon. Friend is right that we should use the facts in the report to see how we can move forward and look to a better future. I will deal with that later.

Lady Hermon (North Down) (Ind): I am most grateful to the Secretary of State for taking a second intervention so quickly. Why on earth was the advice of the most senior Royal Ulster Constabulary officer in the Londonderry area, Chief Superintendent Frank Lagan, ignored? Does the Secretary of State believe, or is there evidence to show, that if his wise counsel had been followed, the appalling events of that day could have been avoided?

Mr Paterson: The hon. Lady touches on one of the many terrible "what ifs". The report shows so many turns, where, if decisions had gone the other way, the event might not have happened. She refers to Chief Superintendent Frank Lagan, who was the local senior RUC commander. She knows from her close family experience the huge debt that we owe all those in the RUC. Interestingly, Chief Superintendent Lagan said that, despite the ban on all parades and marches at that time, he thought that the march should go ahead all the way through to Guildhall square. He was overruled by Sir Graham Shillington in discussion, as the report states, with senior Army officers, who decided that it would be better if the march was turned down Rossville street. The hon. Lady touches on a poignant moment, when perhaps, if the advice had been taken, events could have been different. Of course, the advice could have been wrong. All we can do is accept the facts as they are presented by Lord Saville, and see what we can learn for the future.

We should reflect not just on the report, but on the reaction to Lord Saville's conclusions and the Prime Minister's statement. The whole House will have seen the memorable pictures broadcast around the world showing the response of the families and crowds in the

[Mr Paterson]

Guildhall square in Derry. The families of those killed and those injured had fought a long and determined campaign over 38 years to prove the innocence of their loved ones.

Paul Goggins (Wythenshawe and Sale East) (Lab): I am sure that the whole House wants to join the Secretary of State in paying tribute to the families for the dignity and resilience that they have shown over so many years. I first met them officially to discuss the publication of the Saville report in April 2008—some two-and-a-half years ago. I promised them then that, although the report had to come to Parliament first, they would not be disadvantaged in gaining access to it or being able to comment on it on the day. I thank the Secretary of State and the Minister of State for honouring the many complex arrangements that my right hon. Friend the Member for St Helens South and Whiston (Mr Woodward) and I drew up at the time to ensure that the families could have the benefit of as much access as possible to the report on the day. I thank him for honouring those commitments when he took up his position.

Mr Paterson: I thank the right hon. Gentleman very much for his kind comments. I pay tribute to his work over the years as Minister of State for Northern Ireland. He is still fondly remembered by the people there for all his good work.

I would like to take the opportunity to record my gratitude for the hard work of my officials and the Department in successfully managing the report's publication. As the right hon. Member for Wythenshawe and Sale East (Paul Goggins) said, we built on some of the plans left by my predecessor. I met the families and discussed the matter in detail. The publication was a major international event, with 419 press passes issued for the Guildhall square alone. It is also right to draw hon. Members' attention to other responses to the report that received less coverage, but which are none the less important in illustrating the broad acceptance that Lord Saville's report received.

The leaders of the three main Protestant churches in Ireland made a symbolically important visit to the Bogside shortly after publication. The First Minister, Peter Robinson, publicly indicated his acceptance of Lord Saville's findings. Senior military figures, including the Chief of the Defence Staff, General Sir David Richards, and the former Chief of the General Staff, General Sir Mike Jackson, joined the Prime Minister in his apology for the events of Bloody Sunday.

I want to make it absolutely clear, as my right hon. Friend the Prime Minister did, that Bloody Sunday was not the defining story of the Army's service in Northern Ireland. Between 1969 and 2007, more than 250,000 people served in Operation Banner—the longest continuous operation in British military history.

Our armed forces displayed immense courage, dedication and restraint in upholding democracy and the rule of law in Northern Ireland. We should not forget that more than 1,000 members of the security forces lost their lives, and many thousands more were injured, for that cause. Nor should we forget that the security situation in Northern Ireland had been deteriorating steadily since 1969. As Lord Saville outlines in volume I of the report, those who lost their lives included two RUC officers—Sergeant Peter Gilgunn and Constable David Montgomery were killed by the IRA three days before Bloody Sunday. They were the first police officers killed in the city during the troubles.

Mr Nigel Dodds (Belfast North) (DUP): The point that the right hon. Gentleman is highlighting is extremely important. It is right to put on record our remembrance of, and gratitude for, the service and sacrifice of so many in the armed forces and police who served over the years in Northern Ireland and who continue to serve. That is why most of us are today wearing the poppy with pride.

May I ask the Secretary of State to reflect on this? Many people in Northern Ireland feel that while there is a very close focus on this one major incident, for the reasons he has outlined, they have received no justice and no attention for the murder of their loved one by the IRA or paramilitaries on all sides. They want to know what the Government will do to address that.

Mr Paterson: I thank the right hon. Gentleman for supporting my comments on the service of those in the security services. He is quite right that without them, the peace process would not have happened. We owe an enormous debt of gratitude to those who served in Northern Ireland. I will turn to the problems of resolving the past in a few moments, but I should point out now that the Historical Enquiries Team is working its way through 3,268 cases, which is valuable work.

The hurt and suffering that victims of the troubles from all parts of the community continue to feel must be recognised and acknowledged. Finding a way of dealing with the painful legacy of the past is one of the great challenges facing Northern Ireland today, as the right hon. Gentleman says. Our approach to the conclusions of reviews and reports on individual cases is clear. Where wrongdoing or failings by the state are clearly identified, the Government will accept responsibility and apologise. We have demonstrated that in our rapid responses to this report, the police ombudsman's report on Claudy published in August, and to the Billy Wright inquiry report published in September.

More widely, there cannot, of course, be a Saville-type inquiry for each person killed during the troubles, but there are ongoing processes that are helping to provide some answers. As I just mentioned, the HET is investigating all 3,268 deaths during the troubles, including soldiers and police officers who lost their lives. The 86% satisfaction rate that the HET achieves among families who have received reports demonstrates the success it is having in helping to bring a measure of resolution.

The police ombudsman continues to investigate legacy cases and there are a number of ongoing inquests relating to deaths from the troubles. I welcome the very important work that the Northern Ireland Executive, the victims commissioners and many voluntary organisations are doing in providing health care and practical support to victims.

The future of those processes is in the hands of the devolved Administration, and for my part, I am fully supportive of the important and difficult work that the Independent Commission for the Location of Victims' Remains continues to carry out. The Government's views on new public inquiries are, of course, well known.

As my right hon. Friend the Prime Minister made clear, there will be no more open-ended and costly inquiries. That policy is based not solely on financial calculation. Continuing to pick out selective cases to subject to a lengthy public inquiry is not a viable approach to dealing with the legacy of a conflict in which thousands of people from all parts of the community were killed.

Nor should we be under any illusion that public inquiries provide any guarantee of satisfaction for victims' families. The Billy Wright inquiry report showed that even an inquiry lasting six years and costing £30 million can be accused of not having answered critical questions. Many commentators pointed out that that report recorded the panel's regret that it had no explanation of how the guns used to murder Billy Wright were smuggled into the high security Maze prison.

Our position on new inquiries is clear, but we cannot simply shut down the past. I recognise that there are no easy answers. The previous Government's consultation on the Eames-Bradley report ended in October 2009, and this Government swiftly published the responses to that consultation in July this year. The responses clearly showed that there is little consensus currently on a wider mechanism to address the past, but we have not let that stop us continuing to listen to the views of people in Northern Ireland and to find a way forward.

My hon. Friend the Northern Ireland Minister and I have met victims groups, community organisations, academics and politicians from all parts of the community to move forward the debate on this important issue. We will continue to do so. Many different views have been expressed, but one clear theme emerges from those discussions and from the experience of existing mechanisms such as the HET—namely, the desire of the families of victims of the troubles to understand those traumatic events better. Helping families and wider society to achieve that greater understanding and closure is vital, however difficult it may be. It will require leadership from all those involved in the events of the past 40 years in Westminster, Northern Ireland and the Republic of Ireland.

I plan to continue exploring ideas on the contentious issues of the past over the coming months. Our approach will remain measured, sensitive and realistic. Lord Saville's report closes a painful chapter in Northern Ireland's troubled history. In so doing, it makes an important contribution to helping Northern Ireland to move forward to a genuinely shared future.

2.16 pm

Mr Shaun Woodward (St Helens South and Whiston) (Lab): First, I pay tribute to the men and women who were killed on 30 January 1972. While honouring them, I also want to pay tribute to those who were injured and, indeed, to all the families whose lives have been so painfully damaged by the events of Bloody Sunday. Few of us can ever begin to know the pain that they have endured, but on 15 June this year, we could all see from the relief and celebration on the streets of Derry the powerful impact of Lord Saville's inquiry, as the reputations of those whose lives were lost and those who were injured were fully exonerated.

When the Prime Minister gave his unreserved apology, he truly spoke for us all. For nearly four decades, despite enormous resistance from some, those brave families have waged their campaign for justice. Their conduct and their dignity have been exemplary, both before and since publication of the inquiry. The inquiry stands in stark contrast to the travesty of truth in the Widgery report. The Saville report did what it was intended to do—it established the truth.

There are many lessons to be learned from Bloody Sunday, and many lessons for those who for too long clung to the Widgery report as truth revealed and justice served—for truth Widgery was not and, in the name of justice, Widgery gave none. For a generation to come, the inquiry that Lord Widgery was asked to conduct will be synonymous with whitewashing the truth—for, at best, its wholly inadequate terms of reference and for being conducted too quickly. Perhaps more damningly, is the greater indictment of all those who preferred to continue to cling ever more desperately to the wreckage of Lord Widgery's findings. They did so when the evidence increasingly suggested that his report was fundamentally flawed and misleading, and when its conclusions were increasingly shown to be unsafe and wrong.

The House owes a debt to all those who campaigned for the truth to be established, and I pay tribute to those in the then British Government, and the Irish and American Governments, who would not settle for what increasingly looked like a whitewash, and to all those who never gave up and who campaigned for new evidence to be considered.

Over the past few months great praise has rightly been given to the work and honesty of Lord Saville's inquiry. There was nothing inevitable about the inquiry. A few short years ago, in 1998, establishing such an inquiry was a bold and courageous step. Without that step, it would have been so much harder to have established the bona fides for a peace process to succeed. In the 5,000 pages of his report, Lord Saville has finally established the truth. Yes, there are undoubtedly rightful questions to be asked about the time taken to produce the report and indeed, at £200 million, its cost, but let those of us entrusted with authority never confuse the price of truth with the value of truth. What we learn from the inquiry is shocking truth.

Mr Dodds: On the issue of costs, the right hon. Gentleman was Secretary of State in charge of the Northern Ireland Office for part of the time when these costs were run up, as they were under his predecessors. Does he take any responsibility for the overrun of time and costs? Does he believe that the NIO could have done more to curtail costs and make the inquiry more efficient in terms of time, or does he believe that nothing could have been done?

Mr Woodward: The right hon. Gentleman will know that the Government brought forward what would become the Inquiries Act 2005. The purpose of that was to try to control costs. The issue of Lord Saville's report touches on the crucial issue of the independence of inquiries. The House must seriously consider whether it would wish to compromise the independence of a judicial inquiry by saying, for example, that witnesses would not be allowed legal representation. That would have saved half the cost of Lord Saville's report, but would we have got the truth if legal representation had not been allowed? By the same token, if we were to say to judges in future

[Mr Woodward]

inquiries that we wanted to limit the number of witnesses and the amount of evidence that they could take, would that compromise their independence? It is a proper question for the right hon. Gentleman to ask and I take my share of responsibility for allowing this inquiry to go ahead as it did so that its independence was not compromised. That is why I make the careful distinction between the price and the value of the inquiry.

Sammy Wilson (East Antrim) (DUP): I appreciate the right hon. Gentleman's explanation on that issue, but if the principles that he has outlined are followed in future inquiries—and there are already calls for inquiries on Murphy and other issues—the danger is that we could face huge bills in the future. Do not we need some means of curtailing costs and to put aside the argument that including any restriction will impinge on the independence of inquiries?

Mr Woodward: The hon. Gentleman makes a fair point and I may address it specifically a little later in my remarks.

What we have learned from this inquiry is shocking truth, and it is all the more shocking because what Lord Saville uncovered—and we are speaking of uncovering—runs so counter to what we would all want to believe of our armed forces. Hon. Members may have a difficult dilemma this afternoon, because they may feel that they have to make a choice between being supportive of the British Army or of the families. That is a false choice. The Prime Minister was right to assert that Bloody Sunday is not the defining story of the service that more than 250,000 men and women of the British Army gave during the 38 years of Operation Banner. Their courage, dedication and commitment to public service for every community in Northern Ireland saved countless lives.

However, as the Secretary of State said, the Prime Minister was equally right to say that

"we do not defend the British Army by defending the indefensible."

What happened on Bloody Sunday was and remains indefensible. With no ambiguity, we know that the consequences of an order, which should not have been given, was the

"serious and widespread loss of fire discipline"

by members of Support Company of the 1st Battalion, the Parachute Regiment, who entered the Bogside.

The Prime Minister informed the House on 15 June that decisions on what would happen next would be for the Director of Public Prosecutions in Northern Ireland. That was five months ago. In fairness to the families whose loved ones lost their lives, and to the soldiers named in Lord Saville's report, it is unfortunate that the Secretary of State has not been able to update the House today on progress on the issue of prosecution. When he was in opposition, the Secretary of State was quick to criticise the time taken by Lord Saville to produce his report. Can I gently remind him that he should hold himself to the same standards in government as he set for others when he was in opposition? Perhaps he will take an early opportunity to share with the House a progress report, not least for the families and for the soldiers.

The Prime Minister also told the House on 15 June that he would want to take some time

"to digest the report's full findings and understand all the implications."

He told the House that he would ask the Secretaries of State for Northern Ireland and Defence to

"report back...on all the issues that arise from it."

Given that five months have now elapsed, would the Secretary of State and the Secretary of State for Defence now agree to place their reports in the Library, if they have been concluded?

The Secretary of State will know that the implications of Saville go much further than the events of Bloody Sunday. They are not just relevant to the past of Northern Ireland, but to its present and to its future. The Prime Minister quoted from Lord Saville:

"What happened on Bloody Sunday strengthened the Provisional IRA, increased nationalist resentment and hostility towards the Army and exacerbated the violent conflict of the years that followed."

What now happens in how we respond to this report, and in how we deal with the legacy issues of the past, also has the capacity to strengthen the peace process. The Secretary of State referred earlier to the "what if" factors in the report. His response today is also one of those factors. He should recognise that he is holding a very precious object in his hands. If we handle this wrongly, it also has the capacity to weaken the peace process.

There are those who will watch genuinely to see how the British Government responds to Saville because they too have lost loved ones. They too still seek the truth. Their cause is genuine. Their loss is genuine. Their grief is all too real. But they still understandably seek justice for their loss. Those families respect the truth that this inquiry has revealed. But they too now will seek their truth. This inquiry may, in their eyes, have answered the questions of the families whose lives were devastated by Bloody Sunday, but their questions about their loss remain. Indeed their expectations have been heightened by this report.

For some, this is genuinely about reconciliation. For others—only a small number—this inquiry and others like it may become a means to keep old hatreds and antagonisms going. I recognise that. Most worrying, there are those—the so-called dissidents—whose only wish is to bring chaos and violence back to the streets of Northern Ireland, and who will watch very carefully how the British Government now respond to the Saville report. Those people wish to see how the grief of others can be exploited, and how justice can be turned to injustice. Their wish is to pervert the outcome and to twist the truth into a perverted logic that can be used to build community support for a violent struggle for the years ahead. The response of the Government today must ensure that this group have no opportunity, no chance to make cause from a grievance or a sense of justice denied. Likewise, the Government should ensure that the resources and means are available, should the buck be passed, to enable the Executive and the institutions of the political process in Northern Ireland to respond appropriately.

There are two essential issues here. The first is to ensure that how we handle the past is fair. The second is to ensure that the response is appropriate, adequate and proportionate. For as we think of the families affected

by Bloody Sunday, so too we must think of so many others whose lives were altered irrevocably by the troubles. Lord Saville may have offered the beginning of peace of mind to those affected by that terrible day, but what of others, as the right hon. Member for Belfast North (Mr Dodds) asked. How can this process be fair for others? What of the other families of the more than 3,500 men, women and children who also lost their lives?

One example—and I am sure that all hon. Members will have been moved each time they have heard it—comes from the hon. Member for South Antrim (Dr McCrea), who asked:

"How do we get closure, how do we get justice, and how do we get the truth?"

Justice cannot be the possession of one community, but not another. Justice can no more be the province of a nationalist than of a Unionist. The process must be felt to belong to all. The search for truth loses its value if it may be owned by one community, but not another. The Government must be very careful in how they tread.

The Prime Minister said:

"It is right to pursue the truth with vigour and thoroughness, but let me reassure the House that there will be no more open-ended and costly inquiries into the past."

I understand what led the Prime Minister to these remarks. Indeed, the whole House shares the concern about the cost of the inquiry, but to state unequivocally that

"there will be no more open-ended and costly inquiries into the past"

is in my judgment rash, and it is a huge risk. It is a risk not just to the political process, but one that could yet shake the foundations of the peace process itself. The House will know the importance that Justice Cory attached to the inquiries that he recommended to the British and Irish Governments should be set up.

Given what the Prime Minister said in this House on 15 June and given the Secretary of State's comments in the House, where does this leave the Finucane inquiry to which the British Government committed themselves? The family were promised an inquiry. The House will recall that delay in its establishment was occasioned by a disagreement over such an inquiry proceeding under the terms of the 2005 Act. However, I made it clear when I was Secretary of State that if the difficulties continued once Lord Saville had published his report, we would as a matter of urgency make it clear how we would proceed.

Of course the cost of an inquiry would be relevant to weighing up the public interest, but the public interest would crucially also be weighed by the good faith established by the promise itself—faith that drew strength both from and to the stability of the political process and the stability of the peace process. The Secretary of State has kept us all waiting for nearly six months. He knows that he must be straight with Mr Finucane's family, the people of Northern Ireland and this House, and he must be straight with the Irish and American Governments. I remind the right hon. Gentleman that as recently as 2008, during the presidential elections, the then Senator Obama made very clear his unequivocal support for an independent judicial inquiry, as recommended by Judge Cory.

In the words of the Prime Minister about Lord Saville's report, these inquiries

"demonstrate how a state should hold itself to account and how we should be determined at all times—no matter how difficult—to judge ourselves against the highest standards."

Perhaps the Secretary of State will explain and make it clear what has so changed that today the state need no longer hold itself to account on these issues? Indeed, if he has decided not to go ahead with an inquiry, when will he tell the House, and why the further delay? At the very least, will he take this opportunity to tell the House whether, as he promised, he has met Pat Finucane's family? It is, after all, several months since he said he would.

The peace process is built on trust and fairness. The institutions that have grown out of the peace process have many parents. The process is undoubtedly less than perfect—sometimes carefully planned, sometimes a response to circumstance, sometimes a mechanism to find a way forward when roadblocks lie ahead. Let us imagine that the Secretary of State has taken the decision that, regardless of circumstance, there will be no more inquiries, and let us give the benefit of the doubt about why he has not yet been able to convey that to Pat Finucane's family or to tell the families of those who lost loved ones at Ballymurphy, Omagh or Claudy that they will have no inquiry.

What are the Secretary of State's alternative proposals? What is the mechanism he truly proposes for them to seek the truth, to seek justice? We must all hope he understands that he cannot leave nothing in its place. Others have tried to tempt an answer from him. Let me again acknowledge the hon. Member for South Antrim, who I am sorry is not in his place today. Although I do not share his particular prescription, he asked the Secretary of State to consider whether he would use the resources of individual inquiries, and put them at the disposal of the Historical Enquiries Team. The Secretary of State replied that he was "absolutely right", but absolutely right about what? The Secretary of State may correct me, but I am not entirely sure that in saying that he was proposing to hand over the money, resources and additional funding that the British Government has used to fund judicial inquiries.

The House will rightly acknowledge the work of the Historical Enquiries Team. It is charged with examining the facts behind the deaths of more than 3,000 people in the troubles, and it has indeed done amazing work. It continues to bring closure to so many families who were denied for so many decades even the most basic information about how their loved ones may have died. But the Secretary of State must understand both what it is and what it is not, both what it has the means to do and what, given its limited resources, it cannot do. Its budget was set at £34 million over seven years to handle the 3,000-plus cases. That budget is virtually spent and it is half way through its case load, so it will need more money. However, its task and purpose are not to be compared, in any shape or form, with the work of a judicial inquiry.

Of course not every family wants a judicial inquiry, or a judicial-style tribunal. Indeed, most families—let us be frank—do not want any kind of inquiry. They simply want to leave the past where it is—in the past. They want an end, no more. Others just want the available facts, and, having been given them, they want

[Mr Woodward]

to bring closure to their loss. That is what the HET does so well, and why its £34 million is appropriate for the work that it was asked to do, although clearly it will need more.

Complex or multiple cases that are linked by circumstances and need investigation are hugely time-consuming and sometimes very difficult to investigate. Even with the resources of a fully funded legal inquiry, the truth may remain evasive. The Secretary of State gave the very good example of Billy Wright. The inquiry answered many questions, but it left some unanswered—not least, how were guns smuggled into a prison regarded at the time as having the highest security in the whole of Europe? Some may say the inability ultimately to provide satisfactory answers to these questions throws into doubt the integrity of the inquiry system itself. Again, however, we should be very careful of reaching such a conclusion. Sometimes we may not get answers, but that does not invalidate the reason for asking the questions, and it does not invalidate the creation of a process that allows those questions to be asked.

The Billy Wright inquiry was complex. Its work cost more than £30 million, much of it on legal fees. Perhaps—I say this to the right hon. Member for Belfast North—we could find ways of doing that without some of the cost, but if a judicial inquiry could not find the answers to the questions posed by Bill Wright's family, how would the HET have fared better? It is an institution whose overall budget is less than that spent by this single inquiry.

I do not question the Prime Minister's motives when he told the House on 15 June

> "I think that it is right to use, as far as possible, the Historical Enquires Team to deal with the problems of the past"—[*Official Report*, 15 June 2010; Vol. 511, c.740-55.]

but perhaps the Secretary of State should be a little more candid with his right hon. Friend. Is he really wise to suggest to the Prime Minister that the HET is the appropriate vehicle, adequately resourced, to handle such a complex inquiry, and to ask the HET to take on the work of a Billy Wright investigation, or complex investigations into, for example, Pat Finucane's death or, as it touches on 1 Para, the death of those who died at Ballymurphy in August 1971? To ask that of the HET is, frankly, as burdensome and as impossible as it borders on being incredulous. With present resources, some things can be done, but some cannot. Even if resources were made available, some investigations, such as that into the death of Pat Finucane, could not be carried by a body such as the HET. Although it is fair and works impartially, it is clearly not as fully independent as a public inquiry, and it is not, as Justice Cory would want, international.

The HET is currently the subject of approval and admiration from all communities in Northern Ireland, but asking it to carry out such investigations might risk damaging its reputation in its other crucial and vital work. The Secretary of State must be very careful how he proceeds with changing the HET's remit, if that is what he proposes.

The Secretary of State must also be careful to avoid suspicion about his motives. We cannot maintain a peace process on the cheap. We all want to save money, but some savings risk being false economies, and some are cleverly disguised, being more about passing on the bill while still expecting it to be drawn from someone else's cheque book and account. At present, it is the Government here in Westminster who pay for inquiries into the past. The funding for the HET comes directly from the Executive and the Northern Ireland block grant. Unless the Secretary of State specifically intends to make additional financial support available from Westminster to the HET, it is little short of disingenuous to ask it to take on these hugely onerous responsibilities, even if that were the right thing to do, without significant additional funding. Again I remind the Secretary of State that good faith is as vital in ensuring the peace today as it was in building its foundations.

So what are the Government to do if they wish to keep faith? The Secretary of State has at his disposal the advice and work of the Consultative Group on the Past. The work of Lord Eames and Denis Bradley was extremely important. Their different, but collective, experiences drawn from the years of the troubles made them absolutely the right people to co-chair the consultative group. However, although the Prime Minister referred to their work in his statement of 15 June, I fear that he was directed at only one part of their report. The Secretary of State will know that we share the view that the idea of universal recognition payments should be completely rejected, so that is not a reason to ignore their report. I remind him that it contains nearly 30 other proposals that are very much worth considering and developing.

The Secretary of State has described the impasse in which he finds himself, given the absence of a consensus in the public consultation to the report. I really think he is going to have to do better than that. Yes, it is difficult, but that is what government is all about: making difficult choices, being determined and taking responsibility for finding consensus, even when it eludes everyone else. Building the peace process in Northern Ireland was difficult. There was no consensus, no prescription for a peace process and no route map to a political process. That is the responsibility of the Government. Their job is to find consensus, not to despair or wave a white flag in a declaration of defeat. For it is now that Northern Ireland needs to develop a process for reconciliation. Just as it built a peace process, and then a political process, so now it must establish and develop a comprehensive reconciliation process to deal with the legacy issues. This does not have to be by judicial inquiry, but we cannot leave nothing in place of that. Of course, such a process, and such a determination, will meet opposition, and some of it will be truly genuine, truly felt and deeply sincere. We can respect that, but the job of the British Government, and the Secretary of State, is to help to build and nurture such a process.

Northern Ireland is devolved, but the problems of the past are not. They are not cast off simply because policing and justice have been devolved by this House. Northern Ireland is, after all, part of the Union, until it becomes otherwise by consent. It is our responsibility; it is part of the family. We cannot walk by on the other side of the street. For the past, we all bear the burdens of responsibility and accountability. For the future, we all bear the responsibility to ensure the success of the future shared.

This inquiry speaks not just to those whose lives were changed for ever by Bloody Sunday. The lessons today are for us all. As Lord Eames observed in another place,

it is a mark of real hope for the long term that the inquiry has been genuinely embraced, and embraced beyond sectarian lines. This hope is like a window: it is open now, but we should not presume that it will be open indefinitely. The duty of the Government now is to capture this hope, and use it as a resource to marshal and foster reconciliation. The past is not another country; it is as much our country. The past cannot be painted out of history; nor can it be wished away.

Saville reveals that the opportunity for reconciliation has truly come. Let the authors of this process be drawn from the communities of Northern Ireland, but let the Government give leadership. Out of the terrible loss and pain of these Derry families, let the Government seize the challenge. Let us not just say that we are sorry; let us mean that we are sorry. Let us provide the leadership, establish a due process for reconciliation, resource the present and meet the legacy of the past. We must take that next step and help to release Northern Ireland from the grip of its deeply troubled and continuingly painful past.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Before I call the next speaker, may I remind everyone that there is a 10-minute limit on Back-Bench speeches?

2.45 pm

Mr Ben Wallace (Wyre and Preston North) (Con): Thank you for calling me to speak so early in the debate, Mr Deputy Speaker. It is a privilege to follow not only my right hon. Friend the Secretary of State but his predecessor in Northern Ireland, the right hon. Member for St Helens South and Whiston (Mr Woodward), who worked tirelessly to try to resolve the issues there. I want to contribute to the debate not because I was an adult or serving in the armed forces at the time of Bloody Sunday; I was not even one-year old at the time. In a sense, it is just a memory. However, I confronted its legacy on the streets of Northern Ireland as a platoon commander and as an intelligence officer in the 1990s. I witnessed the pressures as a platoon commander on the streets of west Belfast, and I also witnessed the embryonic stages of the peace process in 1994, under the Conservative Government of the time. That does not seem to be mentioned much these days, but it was an important turning point for Northern Ireland, because of the steps taken not only by the Government but by the Provisional IRA, which did not come easy to that organisation at the time.

I want to put the Bloody Sunday inquiry into context, because it is important to remember that there were deaths before Bloody Sunday. The troubles in Northern Ireland did not begin and end on 30 January 1972. There were 215 deaths during the troubles leading up to Bloody Sunday, and we cannot forget that there were violent deaths in the Irish civil war and the border campaigns of the 1950s. Violent deaths were characteristic of Ireland, not just in the north, for perhaps hundreds of years. We should not forget that they did not start and stop with Bloody Sunday.

I also want to remember the victims of Northern Ireland. There were 1,855 civilian deaths and 1,123 security forces deaths, of which 2,057 were caused by republican paramilitary groups, and 363 by British security forces, as well as 1,000 by loyalist terror groups. All had a part to play in the troubles in Northern Ireland, and all had a part to play in the tragedies that have been left behind after those events.

I listened to the shadow Secretary of State's call for perhaps never-ending inquiries. We should not forget that the death of each of those victims is as important to their family members as those of the Bloody Sunday victims. Their loss and suffering count as much to them as Bloody Sunday counts to the media and to the wider strategic goals of the political parties in Northern Ireland. Many of those people might want an inquiry, although perhaps not a sophisticated, expensive one. They might not yet have all the answers. They might not know why their loved one was singled out to be murdered. They want to know why their innocent brother or sister went out shopping one day and did not come back. They want to know who perpetrated those atrocities, and why they have never been held to account.

There are plenty of famous atrocities—dare I link the two words?—in Northern Ireland that probably mean nothing to most people. Bloody Sunday is one of the most memorable ones to people outside the Northern Irish and Irish struggle bubble, but there was also Claudy, Bloody Friday and Warrenpoint. They are famous incidents that all Northern Ireland Members will never forget. It is a characteristic of the Irish troubles that we have these great tragic events throughout history, and it has gone on for many years.

Mark Durkan (Foyle) (SDLP): The hon. Gentleman rightly refers to many of the landmark atrocities in Northern Ireland. Does he agree that four of them have a particular link: Bloody Sunday, Ballymurphy, Springhill and Shankill? The link is that they were all perpetrated by the Parachute Regiment. Should not somebody be looking at that?

Mr Wallace: I recognise the hon. Gentleman's points. Regiments are always living things: they come and go; different leaders take over and different soldiers join. The Scots Guards, of which I was a member, is a very different regiment from the Scots Guards when it was founded in 1642—ironically, to go to Northern Ireland. Regiments come and go, and it is too easy to put a beret on the problem and say that it is all due to the Parachute Regiment. I know my own prejudices, but they are not factual prejudices. It is too easy to link the problem to one regiment or another. I say that it was mainly a problem of ethos—ethos in our politicians, who sometimes sent the wrong messages; ethos in paramilitary units, or even in political parties that often chose to manipulate the people they were supposed to represent.

As I said earlier, I was not serving in the armed forces on Bloody Sunday, as I was just one-year old, but I have met people on the streets of Northern Ireland who were inspired by it—inspired to defend their communities, inspired to take up arms or, indeed, inspired to enter into terrorist organisations. I have met people who were manipulated by what happened and manipulated by some political parties that used every atrocity to feed another atrocity. Murder begets murder; injustice begets injustice.

This inquiry is about one atrocity, but if it is about drawing a line in the sand, it is about saying that an injustice took place. People in the armed forces, particularly

[Mr Wallace]

its members on that day, are sorry for what they did. We as a Government are sorry about how we dealt with the troubles in the past. However, we must also remember that there were attacks after attacks after attacks. That is why we should put Bloody Sunday in context. The report says that paramilitary activities were taking place on that day. The official IRA fired the second shot and the Provisional IRA was active with weapons in the city on that day. That does not excuse at all or in any way the behaviour of the soldiers on that day, but we should not forget that, in the end, this was an environment into which many people came untrained, ill aware of what they were being asked to do and perhaps led by the wrong leaders. That might be a criticism that we can strongly lay at the door of the Parachute Regiment on that day.

It is not for me, nearly 40 years later, to judge individual soldiers. What we should not forget—this is why the activity of paramilitaries on that day does not detract from what is right or wrong—is that every soldier is responsible for what he or she does down the end of a barrel of a gun. It is their responsibility—the individual's responsibility and that of the junior ranks of local leaders—to realise that, in the end, their actions have consequences.

Having been a platoon commander in Iraq, I have been frightened. I know what it is like to sit behind barbed wire and concrete bunkers. It very quickly becomes "them and us". It is easy to dehumanise the community outside the front gate. It is very easy if you are spat at, shouted at and abused, to go back with your men, your soldiers and your team and describe the situation as them and us. That is not an excuse for a platoon commander, a company commander or a commanding officer to say, "All bets are off; all rules can be ignored". That is simply not right. We are there as officers and leaders of men to protect the weak, to uphold discipline and ensure decency on the street—irrespective of whether the communities are Catholic or Protestant. That is our job.

I could not go to Northern Ireland and undo history. That was not my job at 20 years of age. I was not going to allow myself to be blamed for history—something about which we need to be careful when it comes to the Saville inquiry. We cannot blame other generations and undo it as if it were an easy thing to do on "The X Factor", for example. I knew, however, that if I stood by decency on the streets and did what was right by the people I was there to protect, we would go some way to ensuring peace.

What is very important from my point of view is that we carried the yellow card, which set out the rules of engagement on the streets of Northern Ireland. It is a good document; it has been finessed over the years, but remains a good document. It is interesting that the Saville report clearly says that no soldier involved in the shootings on that day would have had the authority to open fire if they had followed the yellow card issued to them for dealing with the troubles even at that time. These are good rules of engagement: they are clear and fair and require every soldier to take aimed shots. We should not ignore or excuse the facts by claiming that the environment or the context detracts from the responsibility of our soldiers. It is also the case that the same does not detract from the responsibility of paramilitaries. Every terrorist in Northern Ireland must take responsibility for what they did with a bomb, what they did with a rifle and what they did when they intimidated their communities.

I would like to pay tribute to the Social Democratic and Labour party in Northern Ireland, which throughout the troubles recognised the consequence of violence. Throughout it all, its members spoke up in communities where they themselves were intimidated by other republican parties that felt that they could use peace on the one hand, but could use violence on the other. We should not neglect to pay tribute to the parties that pursued peace on both sides throughout the peace agreement.

The real issue is the future. The former Secretary of State came to the Dispatch Box today to speak about the past. That is interesting, as when he was Secretary of State he rarely mentioned the Finucane or other inquiries and rarely raised issues about the past, which now seems to have come to the forefront. The real challenge is for the future and it revolves around whether we are going to move forward and accept devolution. Will Northern Ireland one day be prepared for a Sinn Fein First Minister? Other real questions are how to deal with dissidents and when we will say goodbye to the past.

We can argue about whether we should have one more inquiry, or two more, or four more, or five more or 10 more, but at the end of the day it will come down to three or four main points: paramilitaries killed innocent people; soldiers sometimes got involved in unlawful killings; and the innocent people of Northern Ireland suffered. How many more inquiries are just going to repeat the same points? The future is what counts—and that means peace, which is the only thing that will wash away the blood.

2.57 pm

Paul Murphy (Torfaen) (Lab): Lord Saville's final sentence is:

"Bloody Sunday was a tragedy for the wounded and the bereaved, and a catastrophe for the people of Northern Ireland."

I think Members on both sides of the House would heartily agree with that. I pay tribute to Lord Saville and his colleagues for the thoroughness of their work on the inquiry. I pay tribute to the Prime Minister and the Secretary of State for Northern Ireland for the way in which they have presented the inquiry publicly in the House of Commons. I also pay tribute to my hon. Friend the Member for Foyle (Mark Durkan) who, together with his predecessor, John Hume, fought tirelessly for justice in this very important case. We all pay tribute, of course, to the families of the victims who were killed all those years ago.

In 1998, when the decision was taken to call this inquiry, I was the Minister of State at the Northern Ireland Office with responsibility for political development. I did not then and have not even for one second since had any regrets, as it was the right thing to do. It was right in the first instance because we wanted to see that justice was done and we wanted the truth to come out. Secondly, it was right because it was part of the wider political picture in dealing with the peace process at that time and since. I have not the slightest doubt that, had we not tackled the issue of Bloody Sunday as we did, there would not have been a successful peace process. I have no doubt at all in mind about that.

Mr Gregory Campbell (East Londonderry) (DUP): The right hon. Gentleman has, perhaps inadvertently, touched on some of the problems with the Saville report. Many in the Unionist community believe exactly what he has just said—that it was a political decision taken for political reasons with a premeditated outcome in mind that determined the announcement on Saville.

Paul Murphy: It depends what the hon. Gentleman means by political. I am not saying for a moment that it was a party political issue. I used the term "political" in the sense that it was part of the bigger picture to achieve peace. Both things together were important. Clearly, the nationalist community, the Irish Government, the American Government and people generally believed that we had to deal with this particular issue in the way that we did. That does not mean for one second that we did not have to deal with the other issues as well—I shall touch on them in a few moments—but Bloody Sunday was part of the problem.

There was a time some years later, after I had become Secretary of State, when I was troubled about the costs. At that time, it fell to me to deal with the direct government of Northern Ireland as well as the peace process, and £200 million is a great deal of money. Money was needed for hospitals, schools and other services to run a society in Northern Ireland, and of course those costs troubled me. They troubled me to such an extent that when some years later I agreed with the Canadian Judge Cory that there should be four public inquiries—into the cases of Wright, Hamill, Nelson and Finucane—we decided to use a different mechanism, through the 2005 Act and other Acts of Parliament, in the hope of making the process cheaper. In fact, the cost of those inquiries turned out to be £30-odd million.

I agree with my right hon. Friend the Member for St Helens South and Whiston (Mr Woodward) about Finucane. I gave an undertaking on behalf of the Government that there would be some form of judicial inquiry into the Finucane case. None of that means that we undervalue the loss of the lives of people who served in the armed forces, the security forces or the Royal Ulster Constabulary. Thousands upon thousands of members of the armed forces and the RUC died as a consequence of the troubles, and we must never forget the sacrifice that they made. However, the Army is an organ of the state. In a liberal democracy the state has a responsibility to ensure that the Army does the right thing, and that is why the Saville inquiry turned out as it did.

Sammy Wilson: Does the right hon. Gentleman not see where his argument is leading? It appears that, for political reasons and, he says, to advance the peace process, it was considered necessary to hold an inquiry into what had happened in Londonderry, but it was not considered necessary to hold an inquiry into the deaths of many RUC soldiers and innocent civilians who had been killed by terrorists.

Paul Murphy: All that took place over a period of 15 years or so. One of the purposes of the Historical Enquiries Team, in which I was involved, was to enable us to satisfy all parts of the community that we were dealing with the past.

Let me repeat that the primary purpose of the Bloody Sunday inquiry was to establish the truth: to find out what had happened, and whether the Army was culpable. The inquiry found that it was culpable. However, another purpose of the inquiry and, indeed, of Judge Cory's recommendations, was to maintain the process of bringing peace to Northern Ireland. Ensuring that the peace process continues is a noble cause, not an ignoble one, and if it means that we must deal with the past in whatever form, it is right and proper for that to happen.

The fact that 3,500 people have died over 30 years and tens of thousands have been injured in one way or another must be addressed, and the savagery and wickedness experienced by Northern Ireland in those 30 years was not confined to one side. How should that be dealt with? Let me draw the Secretary of State's attention to two issues. The first is cost. Of course these are difficult times, but, although this may seem a truism, Northern Ireland is a special case. When Senator George Mitchell concluded the Good Friday agreement on Good Friday 1998, he said that it was the beginning, not the end, of a process. He was right. Since then there have been tremendous developments, in which the DUP and other parties in Northern Ireland have played a huge part, but the process will not end overnight. We must have a system that involves spending money, because we must ensure that if the Northern Ireland Executive have to take on certain responsibilities, their funding must be adequate.

Kris Hopkins (Keighley) (Con): The right hon. Gentleman said that the Army was an instrument of Government and must therefore be accountable. Individuals who were certainly active historically are now part of Government. Should they not now be accountable for their historical actions?

Paul Murphy: My right hon. Friend raised that issue with the Director of Public Prosecutions. If there are indications that those people must be prosecuted, that is not a matter for Government, but for an independent body. My point is that if there are any further developments on dealing with the past, the Northern Ireland Executive should not be asked to pay for it.

My second point is this. The Secretary of State mentioned the Eames-Bradley report. Mr Eames and Mr Bradley know perhaps better than anyone else of what happened in the past in Northern Ireland, and I think it unfortunate that the press dealt with only one recommendation in their report. There were other valuable recommendations on issues such as the legacy commission, the reconciliation forum and the role of the Churches, and the Government ought to consider them.

When I was Secretary of State, I went to South Africa to see whether the process of truth and reconciliation there could be applied to Northern Ireland. I concluded that it could not—that there could not be a one-size-fits-all solution, and that Northern Ireland must decide for itself how to deal with the past. However, I also concluded that if the problem was the absence of consensus, nothing would happen. We could not wait for a consensus, but we must seek one.

The position of the current Secretary of State is very different from mine, and that of my successors, when we had to deal with such matters as housing and education. He is in a position to work with the Executive to deal

[Paul Murphy]

with the issues that reflect the past. I have no doubt that a consensus can be reached, I have no doubt that we will have to deal with it, and I have no doubt that the Executive must address other huge, pressing issues, such as the problem of schools and of dealing with the impact of the comprehensive spending review on the Northern Ireland budget. Those are vastly important issues which must exercise the minds of my right hon. Friends and others in Northern Ireland, but that does not mean that it is not possible to deal with the past as well.

I believe that we cannot face the future unless we deal with the past. The two must be dealt with in parallel. The issue is how they are dealt with, and how consensus is achieved so that people, whether they are Catholic, Protestant, Unionist or nationalist, republican or loyalist, can ensure that we have a peaceful and a prosperous Northern Ireland.

3.7 pm

Mr Laurence Robertson (Tewkesbury) (Con): It is an honour to follow the right hon. Member for Torfaen (Paul Murphy). He ended his speech by drawing attention to the need to bring people together and to allow Northern Ireland to move on. Last night, he and I—along with one or two other Members, including the Secretary of State—attended a dinner held by the Integrated Education Fund, whose aim is to bring people together and educate them regardless of their religion. Like the right hon. Gentleman and many other Members, I fully endorse that aim, because the future must be important.

On 15 June, the Prime Minister said that the killings on Bloody Sunday were unjustified and unjustifiable, and the Secretary of State repeated that today. I know that the way in which the Prime Minister dealt with the report in his statement has brought closure to many, though not all, of the families involved. It has brought a degree of comfort, and a degree of solace. The Prime Minister should be congratulated on that. The fact that some of us may have questions to raise about the way in which the report was conducted does not in any way compromise the words of the Prime Minister: he spoke them, and he spoke them very effectively. However, some questions do remain about the way in which the report was conducted.

I have the privilege of being Chairman of the Northern Ireland Affairs Committee. One or two concerns have been expressed in the Committee, particularly about the time that it took for the report to be compiled and about the costs associated with it. It was estimated in the then Northern Ireland Office that the process might take a couple of years. Lord Saville referred to that when he appeared before the Committee on 13 October. In answer to a question about the time scale, he said:

"We did not have one. I am told that the Northern Ireland Office thought it might last a year or two, or something, but on what basis they made that estimate, I have no idea."

There was obviously something of a disjoin between the Northern Ireland Office and Lord Saville on that point. The prolonged time that it took to complete the report must have been very frustrating for the families and, indeed, the soldiers involved. A further problem is that memories would have already faded by the time the inquiry began, and would have become even weaker by the time it ended.

There is also, of course, a great deal of concern about the cost. In reply to a question about setting limits for the number of hours the inquiry could sit or the amount per hour lawyers could be paid, Lord Saville said in evidence:

"I just do not see how you can, in advance, put down any sort of time or cost estimate".

but the Government at the time did that. He also said:

"I do not see how you can"

set limits, yet limits were set. My point is that there seemed to be a lack of co-ordination between the Northern Ireland Office and Lord Saville, and a lack of control over some aspects of the inquiry.

The point could be made that if the inquiry were to be independent, it should have nothing to do with, and be in no way the responsibility of, the NIO, but it troubles me that it is reported that Lord Saville refused to meet the NIO permanent secretary to discuss the report, and I know that that troubles some Committee members as well.

The original estimated cost of the inquiry and then the report was £11 million, with lawyers fees estimated at £1 million, yet the overall costs were £191.4 million, with lawyers' fees of £100 million. I know that public contracts often run somewhat over-budget, but I think that is stretching that to the absolute limit. Again, I do not in any way wish to compromise the words of the Prime Minister on 15 June, but as taxpayers' money was involved here, we are entitled to ask these questions.

The fact that the process took so long poses certain questions about exactly how accurate some of the evidence given could have been. We all have memories of the past, and if we are remembering a particularly important incident, we will remember it very vividly, but when we look back—or when, perhaps, television extracts are replayed or we read a book on the subject—our memories might not be quite as things were. Therefore, the fact that the inquiry went on for so long will have resulted in something being taken away from the memories of the events.

It should also be noted that we are looking back at a different era—we are looking back to January 1972—and I want now to read out some comments by Lord Saville that have not been given a great deal of airing in previous debates. In paragraph 2.6 of chapter 2 of the summary, he says:

"Parts of the city to the west of the Foyle lay in ruins, as the result of the activities of the IRA…A large part of the nationalist area of the city was a 'no go' area, which was dominated by the IRA, where ordinary policing could not be conducted and where even the Army ventured only by using large numbers of soldiers."

In paragraph 2.7 he says:

"There had been numerous clashes between the security forces and the IRA in which firearms had been used on both sides".

That is the background to the events.

Mr Gregory Campbell: The hon. Gentleman is accurately explaining what Lord Saville said in that section of the conclusion, but does the hon. Gentleman not share my amazement that, having come to that conclusion, Lord Saville did not investigate any of that destruction or any of the context that led to the events of 30 January?

Mr Robertson: I am quoting from the summary, but I am well aware that there is a mass of further information behind that summary, and I know that Lord Saville has looked into quite a lot of it. The particular point I have highlighted has troubled me, however.

I was in Londonderry about three years ago—the hon. Member for Foyle (Mark Durkan) kindly welcomed me. I am not sure whether I have told him this, but on the next day I visited the police, who were doing an excellent job. At the end of our meeting, at about lunchtime, I asked whether it would be okay if I, as an Englishman, went into the Bogside Inn. The police froze for a moment, and then replied: "Only if you don't say anything." That was three years ago, when we had relative peace, so what must the circumstances and atmosphere have been like in January 1972?

Again, I am not trying to suggest that what the soldiers are accused of having done was right in any way, and I am not in any way trying to play down or underestimate the pain the families involved must have felt, but I think there is an issue here. It is very difficult to look back so far, partly because memories fade, and partly because we, in the safety of our lives, are judging the actions of people who must have been extremely frightened. I do not know how I would have felt in that situation; it is very difficult to assess that accurately.

My hon. Friend the Member for Wyre and Preston North (Mr Wallace) made a point about that background atmosphere and what created it. Again, I am not trying to excuse what was done but, as was said in our Committee, people who are or were paramilitaries refer to that period as the war. I wish they would not call it that, because there are casualties in wars, and quite often there are many innocent casualties. I do not know whether any paramilitary commanders had machine guns with them that day, or if they did, whether they used them, but if they did have machine guns that day, they share some of the responsibility for what happened.

We should pay tribute to Lord Saville for the detailed work he has carried out, and we should support the Prime Minister in what he has said, but I agree with what a number of Members have said so far: we must now look to move to the future. I have read through a lot of this report, and I also read through a lot of the Billy Wright report a few weeks ago, and what strikes me is the waste involved in paramilitary activity, with Catholics hating Protestants and Protestants hating Catholics. That literally wastes lives, and it wastes opportunities too. Some of that still exists. Recruitment to the police is still done on the basis of recruits' religion. I want Northern Ireland to move towards normal politics, but that is not normal politics.

We have to move to the future; we have to put the past behind us. There are serious questions about how we do that, however. Just last week, I welcomed a number of MPs from Rwanda to my constituency. We talked about how to reconcile the past with the future and they visited Belfast to discuss those issues. Last night, I had a meeting with two members of the families who were bereaved at Ballymurphy. All of that is very difficult and painful and I do not have an easy answer, but what I do know is that we have got to keep searching for those answers so that the present and future generations do not lose out in the way that past generations have.

3.18 pm

Mr Gregory Campbell (East Londonderry) (DUP): Lord Saville and his team carried out public hearings beginning in March 2000, and the final witness was heard in January 2005. In total, 2,500 statements were taken, as a result of which 922 people were called to give direct evidence. Some 610 soldiers, 729 civilians, 30 journalists and photographers, 20 Government officials and 53 police officers gave evidence in some form. As we have heard on numerous occasions, the total cost was in excess of £191 million. Some of the families of those killed in Londonderry on 30 January 1972 have received some form of closure.

As I alluded to in my recent intervention, Saville concentrated almost exclusively on the events of the day in question. However, I and others have repeatedly stressed the need to examine the background and context of the events. After the Saville report was published in June, I spoke out saying it was simply not possible to declare the absolute truth about what happened some 30 years after the event. Because of what I said I was subjected to a vicious hate campaign, not least of which included a Facebook site where a number of contributors indicated that I should be shot dead; a Nazi poster showing a bullet hole through my forehead was put on the site. I went to the police and, that fact having become public knowledge, it was pleasing to see on Monday 21 June that hundreds of people who had signed up to supporting the aims of that site—wanting me murdered—had withdrawn their names within hours of the story breaking on that day. It would appear that supporting violence in secret is quite a good thing for some people but when it becomes public knowledge, they are not so keen. I understand from the police that the prosecution service is studying the evidence and that the police and prosecution service are deciding whether a prosecution is warranted—I await the outcome in due course.

Whatever is found about the attacks or the consequences, the truth about Saville, the context and the background must and will be told. Some try to insinuate that Bloody Sunday was the origin of the troubles, while others attempt to rewrite history by saying that if Bloody Sunday had not happened, the IRA would have been a footnote and a mere minor problem, but Northern Ireland was subjected to frequent attacks. The campaign between 1956 and 1962 was very fresh when the troubles, as they became known, broke out in 1968. Internment had been brought in just before Bloody Sunday to deal with the worsening problems. Widespread violence, right across Northern Ireland, was endemic.

Twenty-one people were murdered in three days of rioting in August 1971. On 10 August 1971, some six months before Bloody Sunday, Bombardier Paul Challenor became the first soldier to be killed by the Provisional IRA in Londonderry, when he was shot by a sniper close to the route of the fateful march on Bloody Sunday. A further six soldiers had been killed in Londonderry by mid-December 1971, five weeks before Bloody Sunday occurred. Almost 2,000 rounds were fired by the IRA at the British Army, which was patrolling the streets, and 211 explosions and 180 nail bombs were aimed at the Army, civilians and ordinary civilian properties, shops and homes in the vicinity, so Provisional IRA activity was rife before Bloody Sunday occurred. Thirty British soldiers were killed in the remaining months of 1971.

[Mr Gregory Campbell]

Both the Official IRA and the Provisional IRA had established no-go areas for the Army and the Royal Ulster Constabulary through the use of barricades. At the end of 1971, 29 barricades were in place to prevent access to parts of the Bogside where the march was to take place, 16 of which were impassable, even to the British Army's one-tonne armoured vehicles. IRA members openly mounted roadblocks in front of the media, and daily clashes occurred between nationalist youths and the British Army. Rioting and incendiary devices aimed at shops caused a then estimated total—this was 40 years ago—of £4 million-worth of damage to commercial property.

I say all this to lay out the context, which Lord Saville did not lay out—£191 million was spent and he did not lay out the context of why the soldiers were there in the first place. I shall tell hon. Members why they were there. The central element of any comprehensive investigation into the events is that the soldiers were going into an area that was extremely hostile and where they were likely to encounter violence. But did Lord Saville—did the report—indicate that that was the factual premise from which to conduct the investigation? No, I am afraid he did not.

The fact that the soldiers met with violence only reinforced their view that they were in for a heavy concentration of fire. Such a concerted level of terror was not unique to Londonderry; as I have said, it was endemic in other parts of Northern Ireland. The truth is that murder, mayhem and terror were rife. In the weeks before the day, there were nine separate bomb attacks on commercial premises, six separate shooting incidents and an 80-minute gun battle, and gelignite and nail bomb attacks were prevalent. Reference has been made to the despicable and cowardly murder of two policemen that then took place three days before the parade and on the very route of the parade. One was a Protestant and the other a Catholic, and one was buried on the day of Bloody Sunday.

It remains the case that we will probably never know the truth of all that transpired on that day. Lord Saville can give his conclusions, and the Front-Bench teams of the Government and the Opposition can concur with those, but we will never know the truth. One participant in the Saville inquiry revelled in the thought that he would not engage in open-ended dialogue about what he was doing in the run-up to Bloody Sunday or on that day. He said that he was the 2IC of the Provisional IRA on that day and in that era; he is now the Deputy First Minister, Martin McGuinness. I welcome his move away from violence and endorse the move towards embracing peace, but unfortunately he refused to go into any detail about his involvement in the IRA on that day. Lord Saville concluded that he "probably" had in his possession a machine gun on that day.

As has been alluded to in the debate, it would appear that some people are demanding prosecutions of soldiers who complied with the Saville inquiry and answered all the questions posed to them throughout the inquiry, but there does not appear to be the same eagerness or intensity of purpose to say that we should also look at the prosecution of someone who "probably" had a machine gun on that day. We have to ask what he was doing with the machine gun on that day. The conclusion is that we will never know.

Saville fell well short of analysing what happened before and during the events of that fateful day. We will not know the truth of all that happened. The one lesson that we can learn from the Saville report and the inquiry is that inquiries, however intense and however long, however protracted and however costly and expensive, seldom, if ever, bring progress towards the future. Let us move forward and not back to the past.

3.28 pm

Tom Brake (Carshalton and Wallington) (LD): I shall make a brief contribution. In the Chamber today there are many experts on this subject, some of whom have spoken already and others who, I see, seek to contribute later. That is why I will keep my remarks brief.

The Saville inquiry was clearly necessary. There is no doubt about that. I do not have personal experience of what happened in Northern Ireland or of its history, but I recall as a teenager thinking that there was something about what happened on Bloody Sunday that I, as a British citizen, needed to be worried about in terms of the human rights implications. It was there—something that I was aware of as I was growing up—so I certainly believe that the inquiry was necessary.

In extremely difficult circumstances, the inquiry has done a very good job of finding out what happened on that day. A couple of months ago I went to the Independent Police Complaints Commission to try to corroborate a piece of information I had received when I was attending the G20 protest as a legal observer. Notwithstanding the level of CCTV coverage of that event, it was incredibly difficult to corroborate one piece of information I had received from a couple of demonstrators about the alleged activities of plain-clothes police officers in that demonstration.

That took place on 1 April 2009, with a considerable police presence, observers and CCTV coverage, and it was very difficult to pin down the information that I sought. The work that was done on events that happened many decades ago sets a standard for us in the UK and for other countries, indicating what a Government can do if they want to.

It was clearly right for the Secretary of State to reiterate the apology that has been given previously for what happened on that day. It was right also for him to recognise the sacrifice of many, many people who defended the lives of others in Northern Ireland, often at the cost of their own lives. Good progress has been made, but the work is clearly not yet complete.

I hope the Minister will respond to points made by the official spokesman for the Opposition, the previous Secretary of State, the right hon. Member for St Helens South and Whiston (Mr Woodward), on issues relating to public inquiries and his undertaking that there will be no others, and what the alternative will be. I hope also that the Minister will respond to the point about the funding for the Historical Enquiries Team. It has much more work to do and the funding issue needs to be addressed.

Coincidentally, today in Westminster Hall, I initiated a debate on consular services and the support available to British citizens when their loved ones are murdered or killed abroad. One thing that came out of that was the importance of ensuring that people had a clear understanding of the support they could get in such

cases, from which agencies and from which Departments. I hope that out of this tragic affair—not that we anticipate a similar event occurring ever again on the same scale, but there may be individual incidents—the process will at least have clarified what support should be available for people if ever they find themselves in similar circumstances again, or if new families find themselves in a similar situation in the near future.

Finally, the right hon. Member for St Helens South and Whiston and others have spoken about reconciliation and the importance of moving the agenda forward. I know that the Government will provide leadership on reconciliation, and will engage with the devolved Administration to ensure that we move things forward in Northern Ireland. I am sure the Minister, the Opposition parties and the parties from Northern Ireland will want to work constructively on that in future months.

3.33 pm

Ms Margaret Ritchie (South Down) (SDLP): On 30 January 1972, the day known as Bloody Sunday, I was 13 years old, growing up in Northern Ireland, when 13 men lost their lives on the streets of Derry, and another man subsequently died some time later from his injuries. I can still recall vividly the events of that day as they unfolded on TV screens.

I can also recall the major impact of those events on the political landscape not only of Northern Ireland but of the island of Ireland—how these events acted as a catalyst for further years of pointless violence, death, destruction and political sterility, as well as further creating deep fissures of sectarianism and division within our community.

I welcome this debate and the fact that the former Prime Minister, John Major, opened the way for the inquiry, that Prime Minister Blair announced the inquiry in 1998, that Lord Saville was appointed to undertake the inquiry, that it took place and that it reported the events of that day in such an analytical and humane way, thus repudiating the Widgery report and vindicating those who died. I welcome the fact that the current Prime Minister, in his statement to the House on 15 June, stated:

" What happened on Bloody Sunday was both unjustified and unjustifiable."

He also said, "It was wrong." He added that

"what happened should never, ever have happened...The Government are ultimately responsible for the conduct of the armed forces, and for that, on behalf of the Government—indeed, on behalf of our country—I am deeply sorry."—[*Official Report*, 15 June 2010; Vol. 511, c. 739-40.]

I further note that that was echoed today by the Secretary of State.

There is no doubt that the Saville report and its findings, and the Prime Minister's statement, dealt with all this in a very sensitive way and helped to bring solace, relief, vindication and comfort to the families of the Bloody Sunday victims and their friends. We in the Social Democratic and Labour party are still looking for some answers, and I hope that today's debate and others will help to bring further closure and give answers to the people of Derry. There is no doubt that those people must be commended for being so joyous on 15 June as they showed their enjoyment in Guildhall square.

Saville's report and the statement from the Prime Minister were welcomed the length and breadth of Ireland in political institutions. My colleagues in the SDLP, particularly my hon. Friend the Member for Foyle (Mark Durkan) and his predecessor John Hume, along with the local community in Derry, campaigned for truth and justice for the victims of Bloody Sunday and other atrocities.

Questions now arise. Where do we go from here? There has been much positive debate today, and there have been other comments, too. I simply urge that we speak about these events with a certain level of humility and generosity. There have been various debates, including in the other place, as well as statements and questions in the Northern Ireland Assembly and the Dail Eireann. I believe that we need to seek full clarification from the Secretary of State regarding the deliberations with the Ministry of Defence and the Secretary of State for Defence, and I want to refer to the question I asked the Prime Minister on 15 June, reported in column 752 of *Hansard*.

I asked when the report would be made available and whether its contents would be made available to the House. The shadow Secretary of State has asked whether it would be made available in the Library, as there are questions that need to be answered. What levels of redress will be made available to the families? What methods or apparatus will be put in place to deal with all the outstanding cases that have been plagued by indecision and the need for truth and justice? Reference has already been made to Finucane, but what about Rosemary Nelson and Robert Hamill? Outstanding cases are being dealt with by the Police Ombudsman for Northern Ireland, such as those of McGurk's bar and the Loughinisland atrocity, in my constituency.

There is one overriding feature of all this. We are joined today in the Public Gallery by relatives of the families from Ballymurphy, who lost their loved ones in August 1971 after internment was announced. Those families lost loved ones, and the connection is that they were all shot by members of the Parachute Regiment. It is also believed—I put it like that—that some of those soldiers could have been involved in Bloody Sunday on the streets in Derry. Those families in Ballymurphy need truth. Ways must be found to relieve their immeasurable burden and grief. They require redress and compassion from the state; they require the stigma to be removed from them and for the innocence of the people who were killed to be declared. They require an inquiry to do that. I urge the Government to listen and to pay heed to their pleas. Mercy and compassion must be displayed. Many people in Northern Ireland and throughout the island and this country have lost loved ones because of what happened. Many families, not least my own, have been tinged by violence, destruction and death. A mechanism needs to be found to deal with all this in a very sensitive way.

We politicians—I mean all politicians, but particularly those who represent constituencies in Northern Ireland—need to build a truly shared, reconciled pluralistic society that has respect for political difference. It should have political institutions that are truly embedded and centred on the principles of partnership. The principles of social justice and equality should be allowed to prevail, thus enabling a new society to emerge and grow—a society in which violence and sectarianism are not allowed to

[Ms Margaret Ritchie]

fester and in which they belong to the past. We want a society in which it is possible to learn from the past and not to live in it and in which it is possible to show respect and provide truth to those who have lost loved ones no matter which part of the community they come from or what their political affiliation. We must ensure that conditions are laid down in which violence of the kind perpetrated in this instance by officers of the state, as well as the violence perpetrated by paramilitarism and the dissidents whom we totally deplore and repudiate, is never allowed to reign again on the island of Ireland.

3.41 pm

Bob Stewart (Beckenham) (Con): The events of 30 January 1972 are a hideous stain on the British Army's reputation. It was a bloody day and a catastrophe. No soldiers were killed but 14 civilians were. Let us be quite clear that it was a total failure of leadership by 1st Battalion, the Parachute Regiment. I fully endorse the Prime Minister's profound apology and the Secretary of State's apology earlier today for what happened on Bloody Sunday. I was serving in the British Army at the time—as, I suspect, were a few other Members of the House—and I shall try to explain what we felt then. We in the British Army knew that a great wrong had been done; we did not need any Widgery or Saville to know that.

I was a young officer then. I joined my battalion, 1st Battalion the Cheshire Regiment, in January 1970 and the first thing I was told was that I was going to Northern Ireland on operations—my own country. That came as a huge shock. I had been brought up by my father and gone to boarding school, with my father fundamentally serving his country abroad on operations. I had spent most of my time in the middle east, so hon. Members can imagine my shock when I was warned that I was going to Londonderry within a couple of weeks of arriving in my battalion.

We started our training immediately, but we did not know what to do. We watched parts 1 and 2 of the film, "Keeping the Peace," which was made by my battalion in the 1950s. We were being trained to go into Northern Ireland as though we were going into somewhere like Singapore, Palestine or Amritsar. It was dreadful. We did not know what we were doing. We practised dealing with riots at Weeton camp in Lancashire using formations that the British Army had so often used in the past. In the formation, we had snipers, cameramen, diarists and banner-men, and the banner that I was issued said, on one side "Anyone crossing the white line is liable to be shot" and on the other, "Disperse or we fire". We took that banner to Londonderry, but what was farcical was that the second language on it was Arabic. We sought guidance from an officer with 1st Battalion, the Gloucestershire Regiment, Lieutenant Vince Hazlewood, and he suggested that we practise dispersing crowds by pushing concertina wire down the road. He said that this would work. It did not.

We deployed by car ferry to Belfast from Liverpool. I could not believe that. We were there with school trips and cars; it was just astonishing. When we got to Londonderry, we went to a place called HMS Sea Eagle, now Ebrington barracks, and from there we deployed into the city. We did small patrols of two men—I often went out with two or three people—and we made absolutely certain that our rifles were pointing skywards. The idea of us opening fire at our own people was just out of line. Out of line.

When the riots came, we were totally surprised. We went down Rossville street and William street in a sort of box formation à la Malaya or Aden. Immediately, we realised that we had made a mistake. About one third of my platoon were hurt, either with broken legs or with burns from petrol bombs. Do you know what? My goodness, we were frightened. I have been under fire quite a lot since then, but I want to tell the House how fearful it was being on the streets in those days and not having an answer as to how to behave. People were banging planks against walls to make it sound like we were under fire.

We did not use CS gas, we certainly did not open fire and we were not even allowed to draw our batons. We took to putting newspaper down the front of our trousers in wads to try to stop our legs being broken by the incoming bricks. I was in 6 Platoon, and my fellow platoon commander, Nigel Hine, in 4 Platoon, was caught by the crowd and had his jaw broken in three places. He bandaged it up and kept going through the night. He was the first officer to receive the MBE for gallantry in Northern Ireland. We were grossly inadequately prepared, and I suspect that that continued all the way through the early '70s. We did our best, and the last thing that we wanted to do was to open fire. We had the yellow card, and we understood the rules of the yellow card absolutely.

The day of 30 January 1972 was a disgrace. It was also an aberration. One bad event can destroy thousands of good ones, and that was a bad event. Huge numbers of soldiers went through Northern Ireland. The House has already heard that 250,000 did so, and I pay great tribute to those who acted properly, did their duty and cared about the people of Northern Ireland. I remember them today, because more than 700 of them lost their lives—some of them, trying to protect people.

I end by simply saying, as so many Government and Opposition Members know, and as we knew at the time, that 30 January 1972 was an aberration. It should never have happened. It was a total failure of leadership, from battalion command down, and my goodness I hope that it never happens again. But I ask hon. Members, please to remember how well the British Army, the Royal Ulster Constabulary and all those concerned about what happened in Northern Ireland behaved right the way through the 38 years of the troubles.

3.50 pm

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I am very grateful for the opportunity to speak in this important and significant debate and to be able to follow a number of very powerful contributions, most recently from the hon. Member for Beckenham (Bob Stewart). I commend the Government for ensuring that there is this opportunity to debate the Saville inquiry report, its consequences and the related issues—and also, importantly, to do so at this juncture, there having been some four and half to five months since its publication, a period which has given many people an opportunity to read, consider and reflect on its contents before we discuss it in detail.

The publication of the report was a significant event for all of us with an interest in, connection to, or direct involvement in issues relating to Northern Ireland. As other right hon. and hon. Members have made clear, the time and financial cost involved in the inquiry was considerable. As has been powerfully advocated by other Members—I am sure that others will do so later—many families of those who lost their lives on 30 January 1972, and indeed the family of the victim who died some time later in hospital, have expressed their relief at having received some kind of justice. I use the term "justice" very tentatively. As Lord Eames said in the debate on this issue in the other place, there can be widely differing interpretations of justice. For some, the very publication of truth is sufficient for them to be able to move on. For others, quite understandably, justice is a much more complex issue that may require the progress on prosecution to which my right hon. Friend the Secretary of State referred.

Many in this House, several of whom we have heard from this afternoon, have much greater personal experience and detailed knowledge of the events of January 1972 than I do. There are now many Members of this House, including me, who were not born at the time of those events. Our experience has perhaps been limited to the footage or photographs of Father Daly with which we are all so familiar. However, I think it is without question that the events of that day had an impact on all parts of the United Kingdom, directly and indirectly, for many years afterwards. That is why it is crucial to deal with the report in the right way.

I understand and appreciate the reticence of many right hon. and hon. Members for there to be, in the words of the Prime Minister,

"no more open-ended and costly inquiries into the past."—[*Official Report*, 15 June 2010; Vol. 511, c. 741.]

Given the time and financial cost involved, that call for an end to such inquiries appears, on the face of it, to be reasonable. However, it would be a mistake to measure the success—if I can use that term in this context—or otherwise of the inquiry purely on the basis of time and money, and a graver error still to use the experience of Saville to rule out any inquiries into other events to which we have heard reference. It is simply not possible to put a price on what the report has done, and will do, for the family of Jim Wray, who for years had a stain on his reputation. As one noble Lord put it in the debate in the other place, the report has allowed one victim's family to get a proper night's sleep for the first time in close to 30 years.

Removing suspicion from the events surrounding 30 January 1972, confirming the inadequacy of the Widgery report and providing the opportunity for many people to move on have all been results of the thorough and detailed nature of the Saville report, at least for some people. It has enabled all parts of the community in Derry to begin to take steps—perhaps tentative steps at first, but steps none the less—towards focusing on current issues of importance such as the economy, housing and education, which quite rightly preoccupy people and politics throughout the UK and beyond. We cannot put a price on that.

That is why a call to end future inquiries appears to many to be an injustice towards families of the people involved in Ballymurphy, Omagh and so on. The opportunity to provide access to the truth, and to the hope and potential that that truth provides, is something that we must not give away lightly.

Many Members have spoken of the work of the Historical Enquiries Team, and I am sure that Members will want to put on record their appreciation of the team's valuable work to seek answers in individual cases. However, it is not reasonable to expect it to provide all the answers. It has exhausted, or come close to exhausting, its budget, despite being only somewhere near to halfway through its case load. I am not convinced that it is the right body to deal comprehensively with the large-scale and complex issues arising from some of the incidents that have been referred to this afternoon.

My view is that the Saville inquiry was the right thing to have initiated, and I commend those involved in the detailed decisions that were taken before it could take place. However, despite the Government's positive and commendable response to the inquiry, particularly on 15 June, they have so far given scant detail about how exactly they intend to proceed. It is important that they do so, as I hope the Minister will in his closing remarks. I am sure that many people both here and elsewhere will be listening carefully to his words. The opportunity to cement devolution, and to anchor the lasting peace in Northern Ireland that so many people have worked so hard to promote for so many years, must not be lost.

3.58 pm

Patrick Mercer (Newark) (Con): It is a pleasure and a privilege to follow the hon. Member for Rutherglen and Hamilton West (Tom Greatrex). He made an extremely perceptive speech, and, with respect, a modest one given his level of experience. It was extremely informative, and I am grateful to him.

I am surrounded by a clutch of hon. and gallant Members, and we heard an extremely powerful speech from my hon. and gallant Friend the Member for Beckenham (Bob Stewart), a colleague and friend whom I have known for many years. I believe that he and I are the only two Members who have had the privilege of commanding infantry battalions. Before I come on to that, I thank the hon. Member for East Londonderry (Mr Campbell)—I am sorry that he is no longer in his place—for his speech, which put the whole Saville inquiry in context and was extremely important.

I suspect that the business of commanding a battalion is like no other. At one's hand are 600 or 700 men, who are impressionable and not necessarily easily led, but who are looking to one individual in the battalion not just to lead them but to set the tone for the battalion, and to ensure that things go right, but that when things go wrong they are dealt with.

Curiously, I ended up as the defence reporter for the "Today" programme. In 1999, my editor requested me to try to find Colonel Derek Wilford, the commanding officer of the 1st Battalion the Parachute Regiment, who had not had a chance to speak on the radio about what had happened on that morning in January 1972. I eventually tracked him down and asked him whether he would like to come on the radio and put the perspective of 1 Para across to the British public, and he did so. I do not know how many hon. Members here heard that interview, but his testimony was jaw-droppingly embarrassing. He ended up being sued by the brother of

[Patrick Mercer]

one of the victims, who he suggested, quite clearly, was an active terrorist when he was not. It is interesting that the inquiry said that Colonel Wilford's failure

"to comply with his orders"

set

"in train the very thing his Brigadier had prohibited him from doing"

and could not be justified. Colonel Wilford should not have launched an incursion into the Bogside.

It would be very simple to damn the Parachute Regiment—heaven knows it has enough enemies—but it is a fine regiment with a record that is unblemished in so many ways. None the less, that day there was a failure of leadership from one man, who had months before failed to provide leadership in west Belfast.

Worse than that, this involved not the whole battalion, but one support company that took its directions from one misguided individual who believed that he had some God-given right to put straight the situation in Northern Ireland. As a result, the names of the British Army and, to a certain extent, the Royal Ulster Constabulary and all the security forces in Northern Ireland were tarnished by the actions of a small number of maverick soldiers, who got it wrong, behaved badly and who were badly led. When I joined my battalion in 1975 in Ballykelly, my commanding officer repeated an old aphorism. He said, "There are no good regiments and no bad regiments. There are just good officers and bad officers." How right he was.

I was extremely interested to hear the hon. Member for East Londonderry talk about the historical perspective. So far, he is the only hon. Member to have mentioned the broad spread of the history of violence in the island of Ireland. When I joined my regiment, I was conscious that the old Sherwood Foresters had been fighting in Ireland—or policing in Ireland—for two centuries.

Every time I go to the cemetery in Balderton outside Newark, I am conscious that three soldiers from the Sherwood Foresters, who were killed in Dublin in 1916, are buried there. Anybody who fails to understand the historical perspective of the 30 years of violence that we suffered in the latest set of troubles is, as Derek Wilford said, "horribly naive". How do we deal with that? If we accept that this is an aberration and that honourable men and women have had their names besmirched on both sides of the argument, how do we deal with it?

Having listened to the comments from the Opposition Benches, particularly from the shadow Secretary of State for Northern Ireland, I suggest that if we are to proceed, we should do so even-handedly. We have to understand that there is a spirit of amnesty abroad. We cannot take out of retirement men who served 38 years ago and who were involved in this—for heaven's sake, many of them are dead. We cannot bring these men in front of courts and say to them, "You did wrong. You are now being prosecuted." We might have been able to do so 12 months or even 24 months after the incident—it might have been the right thing to do then—but we cannot do it now, particularly because in the interim we have had the Good Friday agreement, in which convicted terrorists, who have, in some cases, served their time, have had their sentences quashed or vastly reduced. There would be no justice in that, and it would be wrong in those circumstances for former soldiers now to be prosecuted, whatever the rights and wrongs.

We must not again have the length, cost and expense of first the Widgery inquiry and then the Saville inquiry. Great grief has been caused, particularly by the former inquiry, to the families of the dead and injured, who were besmirched for many years as being sympathetic to or even active in the republican cause. Soldiers' actions were lied about, and men were able to shield behind deceit because of the length of the inquiry.

The spirit of amnesty has been mentioned. In the past 38 years, the various inquiries have provided an opportunity for violence and confrontation every time they reached a crossing point. For example, in June, I listened with great interest to a Sinn Fein councillor from Londonderry, who told me that everything would be brightness, sunshine and quiet, that closure had been reached and that people could now be forgiven. I said, "You're wrong. This will beget violence." The next day, a 200 lb bomb was delivered outside Aughnacloy police station. It did not go off, but anybody who has failed to notice what is going on in Northern Ireland needs to have their eyes opened.

We are again involved in a campaign by Irish dissidents. It should come as no surprise to anybody who can open a history book—one could start from Wolf Tone or wherever one wishes. However, approximately every 25 years, there is another pulse of violence and we are in the middle—or perhaps at the start—of one now.

Inquiries such as those that we are discussing do not help. If we must inquire—if we are to use the Historical Enquiries Team—it must be done quickly, effectively and with the utmost application of justice.

In the past few days, we have been absorbed by the threat of being killed or injured by Islamist fundamentalists. However, I know that, exactly as the Chief Constable of the Police Service of Northern Ireland has told us, we stand on the verge of another serious bout of bloodletting in the north, and the mainland will certainly be attacked.

If we are not to descend into another spiral of violence, we must learn the lessons of Bloody Sunday. We must ensure that our security services always operate within the letter of the law. Above and beyond everything else, we must ensure that justice and the rule of law are applied properly, quickly and effectively.

4.8 pm

Dr Alasdair McDonnell (Belfast South) (SDLP): I begin my brief contribution by extending a welcome to some of the family members of those who died on Bloody Sunday, and also to family members of those who died some months earlier in Ballymurphy. Their valiant efforts in the face of a great injustice have set the truth free. The courage and fortitude that they demonstrated to the world over many years as they fought for justice and truth are remarkable.

I commend and thank Lord Saville for his superb job in delivering an excellent report in difficult circumstances. He carried out his work admirably in those difficult circumstances. His conclusions are unambiguous and distinct. Any effort by any Member of this House to detract directly or indirectly from the integrity of Lord Saville's report does a great disservice to both themselves and the House.

I want to commend the remarks of the two Conservative Members who served in the Army for the honesty and integrity of their comments, which flesh out the discussion and do nothing to distract from Saville.

The most important and crucial aspect for me was the generous and unequivocal nature of the Prime Minister's bold and courageous statement and apology on the day that the report was published. That was a watershed. It was a tremendous statement, and it offered tremendous comfort to the families of those who were killed or injured and those who had suffered.

The understanding and sensitivity with which the Prime Minister treated this matter are a lesson for those who might wish to close their eyes and ignore the truth. We require truth, honesty and clarity in our relationships if they are to be worth while. Nowhere is that more necessary than in the relationship between the people of Britain and Ireland. Right hon. and hon. Members discussed some of the backdrop and spoke of the recurrent violence, but if we intend to break with the past and move forward to a stable and peaceful future, we must be honest and open in all such relationships, so that we can co-operate for mutual benefit.

We now have a political framework in place, but we did not have one in January 1972. Those of us who have a spirit of reconciliation and are mindful that ambiguity and lack of clarity creates space in which malevolence flourishes, are committed to ensuring that the circumstances of Northern Ireland in January 1972 never recur. Lord Saville's inquiry is a tremendous antidote to the malevolent and malign influences that are out there. In discussing Saville and supporting the relatives and families of those innocent people who were killed, in no way do I or any of my colleagues give any consolation, support or justification to the Provisional IRA or those who orchestrated violence over many years; nor do we support the various dissidents.

It is important in this House and other places of authority that the truth is recognised and worked at. Comment has been made on the backdrop of the Saville inquiry, but I was drawn by a note that was taken a few days after Bloody Sunday. The Prime Minister, the Lord Chancellor and Lord Widgery held a discussion, of which a minute was taken. The Prime Minister thought it right to draw a number of issues to the Lord Chief Justice's attention, including that

"It had to be remembered that we were in Northern Ireland fighting not only a military war but a propaganda war."

For many of us, that propaganda war was taken a bit too far with Widgery—a great deal too far. That did the British Army and the British Government of the time a tremendous injustice. If I could appeal for one thing, it would be this. Let us be honest and open, as hon. Members are today. Let us tell it as it is and as it was. Let us deal with the truth. The state should never allow itself or its agents, whether military or otherwise, to descend to the level of the paramilitary thuggery in Northern Ireland. That thuggery is not a justification for misbehaviour on the part of official organs of the state. They cannot somehow or other justify themselves by saying, "The thugs were out there behaving in a similar way." It is important that the state behaves within the law that it sets. That has worried me since I read the Widgery report, but let us move on.

The truth is that the 14 men and young boys who were murdered that day were innocent. That they were wrongfully killed is presented in a transparent and lucid way by Lord Saville. It is important that we now begin to heal the wounds that were created on that day. As I suggested, Widgery poured salt on to those wounds, but the families and the rest of us have put that into the past. People will move forward with confidence now that the truth is established.

Some question the cost involved in finding the truth. Those questions are reasonable, particularly in today's difficult economic climate, and I fully understand that they are asked. It is incumbent on all of us who ask such questions to analyse how the costs were amplified. For me, the decision to relocate the inquiry to London in order to hear some testimony perhaps doubled—it at least significantly increased—the cost. A further multiplier was the continual obstruction, legal and otherwise, by Ministry of Defence lawyers and others acting on behalf of some of the witnesses. I say that with no malice: it was a factor in increasing the cost. The cost should not be laid at the feet of Lord Saville, who did his best in almost impossible circumstances. If some people had been prepared to tell the whole truth, the cost would have been cut probably by two thirds.

It is important to reiterate that Lord Saville's inquiry was necessitated by the sheer dishonesty of the Widgery tribunal—I cannot emphasise that enough. That deception added insult to the injury that families suffered and further poisoned relationships between the Irish Republic and Britain. It was a lesson in how things should not be done and, in future, we have to ensure that the relationships within these islands work dynamically and co-operatively to our mutual benefit.

The Saville inquiry was ultimately borne out of the events that unfolded in Derry. I have no intention of dissecting those or going into them in any detail. Nor do I want to second-guess Saville. I urge hon. Members to accept the findings. Regrettably, the Parachute Regiment had—in my opinion, although I understand that others may not agree—to some extent been running amok in west Belfast, inflicting gratuitous violence and death on innocent people for some months previously, especially in the early weeks of August 1971 at the time of internment, when 11 people were killed within 48 hours. Their victims included a Catholic priest, who was trying to tend to someone who had been shot and lay dying, and a mother who was out gathering food for her children's breakfast. There was no justification for many of those deaths and the families are justified in seeking the truth. They are not looking for a big scene: they are looking for clarity. Their brothers, fathers and mothers were described as gunmen, and that accusation has never been withdrawn.

The financial cost is important, but pales into insignificance when compared with the suffering of the families. Michael Kelly was 17 years old when he was killed on Bloody Sunday. The soldier who killed him tried to smear his name, claiming that Michael was in possession of a nail bomb. That lie was utterly refuted by Lord Saville. Michael's brother, John, captured the essence of the inquiry when he said that

"anyone attacking the inquiry is attacking the families. Michael was walking on a peaceful civil rights march when his life was taken from him...This is a non-political, purely civil rights issue."

4.18 pm

Kris Hopkins (Keighley) (Con): I reiterate my support for the Prime Minister's comments and the apology that he made back in June. At the time, I said that it was difficult for me, as an ex-soldier, to hear the words that

[Kris Hopkins]

were said and their context. I watched the television that evening and I was shocked—it had quite an impact on me—by the response from the crowds in Londonderry, the huge relief that they felt and the applause that they gave the Prime Minister for his stance. That reinforced my view that the Prime Minister had made the right decision.

As a former soldier, I was one of the 250,000, but rather than being a gallant officer, I was a private. I have never been to Londonderry, but my views and opinions have been formed by the experiences that I went through. The IRA tried to shoot me on the New Lodge road, and tried to blow me up in a 16-round mortar attack in Bessbrook. That fossilised my view of the organisation.

I stood on a cordon in Newry when the bodies of those who were shot in Gibraltar were brought through from the south, and saw the huge response from the town. In the days following that, Milltown cemetery was attacked by a lunatic throwing grenades and shooting members of the congregation who were trying to bury their loved ones. That had a massive impact on me and my colleagues, as well as on the people and communities there. In the days after that, I was about to go on patrol when I saw what I discovered later to be two young corporals being dragged from their car. Later, I saw a video of them being executed on the ground in Springfield road. That was grossly horrific to watch.

We have talked about soldiers and some of the ways of interpreting what they did. I was out on patrol with a group of colleagues when we came across a Catholic fireman who had been shot in the head, chest and arm. We tried to save his life, but we failed. His only sin was to be a Catholic in a taxi in a Protestant area. We saw it as our job to try to save him; it was not a bolt-on. It was part of our role to try to save that person's life, and I was saddened that we did not.

Two members of my unit committed suicide while they were over there, and one lad lost his leg. My regiment, and those before and after, served with great honour and courage. I have worked with the Parachute Regiment, which is fantastic. It consists of men of great honour and courage, and goes back a long time. I had the privilege, as leader of the council, of offering the 4th Battalion the freedom of the city of Bradford just six months ago. It is a privilege to be in their presence. What was done on that day was wrong and horrific, and badly damaged its name, but I tell the House it is a good regiment with good people.

I am not sure whether what I have just said offers any comfort to the families who lost loved ones, and the people who were injured on that day, but I am trying to explain the context as I see it. I am sure that as many people as served in the Army saw the Saville report, and had the toe-curling experience as a soldier of hearing the Prime Minister's words.

Since leaving the Army, I have done a lot of photography, and I taught it at university. Because of my experiences, I have examined a lot of war photography, including Capa's photograph of D-day, the girl burnt by napalm in Vietnam, and the recent horrific photographs from Iraq of the abuse of prisoners. One that had a huge impact on me is that of Father Daly, a priest in the United Kingdom, begging for safe passage for injured people. What a terrible situation to have in our country.

The damage that was done by Bloody Sunday can be seen in an historical context. I was given a piece of paper when I first went over there. It talked about the Romans invading Britain. We had to understand our place, as we went into Northern Ireland, in the context of those few scraps of paper. Bloody Sunday was hugely damaging, and the responsibility on those individuals who failed is great, when we remember the damage that they did to the populace and to the country.

However, some individuals did try to find a different place. I pay tribute to John Hume, Lord Trimble and former President Clinton, as well as to the combatants who chose a different path. I experienced a sense of disbelief when I saw some of the players coming together to shake hands and try to find a solution. I honestly did not believe some of the imagery that I was seeing, because it was so heart-warming; it was a tremendous place to be. I remember watching people arguing the toss about water rates, and thinking how great it was that they were not trying to kill each other.

Having said all that, and having thought how wonderful it was that such a great effort had been made to find peace, I was at a meeting at the Tory party conference recently with Mr McGuinness and I felt absolute revulsion and anger when he walked into the room. So it is great for politicians it, but, that moment involved a huge journey and a massive leap for me. But as he spieled his spiel, and as the media and the Secretary of State challenged him, I realised that that was the place where we needed to be. That is why those Members should be in this Chamber, where they can be held to account. That is the politics of the future.

In a couple of weeks' time, we shall be celebrating and commemorating the lives of the individuals who have died. Another event that occurred when I was over there was the bomb at Enniskillen. I do not know how Gordon Wilson found the strength to say that he would not hold a grudge, and that he did not want to use "dirty" words at a time like that. That was tremendous. In answer to my own question about whether we should drag people back into inquiries, I believe that we need to grasp the moment now. The ground has been set for political debates about water rates, and this is not the moment to go back over all the issues of the 3,000-plus, including the 1,000-plus soldiers, who were killed, and of the brutal events that took place. We need to argue about water rates. We need to hold the Government to account about the comprehensive spending review. Those are the things that need to be sorted now. Northern Ireland needs to be a normal place, and that is the future that I want to see.

4.28 pm

Jim Shannon (Strangford) (DUP): I wish to make a contribution to the debate. Much was said at the Bloody Sunday inquiry about how British paratroopers fought to control the streets of the "maiden city" of Londonderry. The inquiry lasted 12 years and cost almost £195 million, and I would like to focus on that, as well as on some of those who have not been mentioned in the Chamber today.

People ask whether the inquiry was cost effective, whether it lasted too long, whether its conclusion was honest and whether it delivered all the answers. The question that many people ask me is whether it will be

the last of the nationalists' demands for an inquiry. We suspect not. Was the Bloody Sunday inquiry value for money? Did it help Northern Ireland to move away from the past and to move forward? Should £195 million have been spent to prove what some people feel was turned into a political point?

I want to focus on the money for a moment. Some of those involved in the inquiry have consistently said that they could have earned more elsewhere. Indeed, one of the inquiry's leading defence barristers said of the criticism made against him that his earning of £4.8 million was unjust, as he could have earned up to three times that amount by doing work elsewhere. Many of us feel that that is untrue; we do not believe it.

Speaking as a Unionist, I am sick, sore and tired of being told that we must forget the past by those who refuse to forget it and of being told that we must move forward. I am all for moving forward—and fully, totally and absolutely support the political process in Northern Ireland. I am 100% behind that; I believe it is the correct way to go. It is good that those who were once involved in activities that are abhorrent to me and the Unionist people I represent have accepted that democracy and a democratic system are the way forward. That is what I want to see. I fully support that.

I want to be able to focus on the economy and jobs and on opportunities for my children, my grandchildren and everyone else's. The hon. Member for Keighley (Kris Hopkins) is right that we should be focusing and it is good that we are able to. Some people, however, still want to hold on to the past and still want to bring up inquiries, talk about things of the past and spend even more money on stirring up and creating division.

Lord Saville spent some five years writing up his 5,000-word submission and report. At the same time, the information technology for the inquiry cost some £34 million. I would ask whether all these costs were absolutely necessary. Was it necessary for it to go on for such a long period? I understand that Lord Saville spent £175 each night on his hotel. For the record, I point out that the Independent Parliamentary Standards Authority allows us only £135 a night. I make that point as a small comparison, but it is worth making. The rent of the Guildhall in Londonderry was £500,000 a month. Where was all this money going? Was it absolutely necessary? Flights totalled up millions. Some aircraft companies made a small fortune out of people flying to and fro between Northern Ireland and the mainland.

What the inquiry did not do was deliver an apology to the law-abiding people of Northern Ireland, particularly the Unionist people I represent, who daily faced death. It also failed to apologise to those who wore the Royal Ulster Constabulary uniform or the British Army uniform. I want to say clearly, honestly and frankly here today that the British Army needs to know that the politicians will support it wholeheartedly, both in word and deed. I do and I will, and many other Members will do the same.

Some Members have spoken about other incidents in Northern Ireland and it is worth focusing on some of them. Has there been any talk about having an inquiry into those who were burned alive La Mon? They were attending a dinner, but were brutally murdered. Has there been any talk about inquiring into a person—my hon. Friend the Member for East Londonderry (Mr Campbell) referred to him—who has apparently walked away from his past and joined the democratic process? According to the inquiry, this person said he was carrying a machine gun on the day of the incident. One thing I can tell anyone for sure—he certainly was not using it to shoot rabbits. Has there been an inquiry into the Remembrance day atrocity at Enniskillen, which the hon. Member for Keighley mentioned? No, there has not been. Has there been justice for those people? No there has not.

Have we seen justice for the people involved in the Darkley Hall massacre? For those who may not know what took place there, men, women and children were attending a church service. They were worshipping God, yet some were killed and some were injured. Has there been justice for them? I do not believe so. What about the 10 workmen murdered on their way back home after work at Kingsmill near Bessbrook in South Armagh? Can we have justice for them? I think we should. What of the four Ulster Defence Regiment men murdered outside Ballydugan, Downpatrick, three of whom I grew up with and one of whom I knew exceptionally well? Is there justice for them? Is there justice for my cousin, Kenneth Smyth, a former B-special man and UDR sergeant, and his Roman Catholic friend who were murdered by the IRA? I do not see it.

I commend the good work done by the Historical Enquiries Team and I commend how it is trying to help people come to terms with their past. It is good that that is being done.

I hope you will forgive me, Mr Deputy Speaker, if I become agitated and perhaps a wee bit annoyed when I hear republicans ask for an inquiry into what happened at Ballymurphy when £195 million has just been spent on another inquiry. Is it necessary? Will it help us to move forward? Will it create a better future in Northern Ireland? Will it help communities to gel, to work together, and to focus on the things that matter—the things that were mentioned by the hon. Member for Keighley? I do not think that it will. Do we want another inquiry into Ballymurphy?

Dr Alasdair McDonnell: The families in Ballymurphy have asked for a withdrawal of the slur on their loved ones. By referring to some political activists who are exploiting them, the hon. Gentleman is distorting the facts. The families are just looking for the truth: the simple truth. If there is another way of getting the truth, let us have it.

Jim Shannon: I am all for getting the truth—I am the first person to put my hand up for that—but I want truth for other people as well. I want truth for the people at Darkley Hall, the people at La Mon, the people who were at Enniskillen on Remembrance Sunday, and the people who were murdered at Ballydugan. I want the truth for all those people. If we are to have truth, we must have it for everyone, not just for selected people. The fact that this process seems to be trying to obtain the truth for selected people is what annoys me.

Let us be honest: that £195 million could have been spent on things that we should all like to see. It could have built schools, hospitals and bypasses. It could have paid for hundreds of operations, and enabled the elderly to be looked after. It could have provided services from which everyone could have benefited. The legacy that we have is a legacy of tears. I cry in my heart, and other

[Jim Shannon]

Members cry in their hearts, every day. We shall have that legacy with us all our lives: it will never leave us. When it comes to tears, when it comes to hurt, when it comes to pain, we have that as well.

I want to see the people whom I represent being looked after, and receiving an adequate response from the Government. I do not want to see barristers living off the fat of the land and receiving large wages as a result of inquiries. I never want to see another inquiry that drags up the past and, by its very nature, does not help us to move forward. I want to see a future for my children and grandchildren, and I want to see fairness for everyone in Northern Ireland. I want to see that happen for the Unionist people whom I represent, and it is my duty to say that in the Chamber today.

4.37 pm

Mel Stride (Central Devon) (Con): I welcome the opportunity to speak, although I recognise that I do not possess as intimate a knowledge and involvement in Northern Irish politics, or the troubles, as some other speakers—including my hon. Friend the Member for Keighley (Kris Hopkins), who spoke particularly movingly about his experience in Northern Ireland—and I therefore speak with some humility.

Any armed conflict that continues over many years and arrives at the point at which it has arrived in Northern Ireland—where it can be said that we are at least in the arena of peace—is likely to involve many significant and often critical events along the way. The hon. Member for East Londonderry (Mr Campbell) rightly reminded us of the turmoil, both political and in terms of the violence in Northern Ireland, that was occurring at the time of the beginning of the troubles and the establishment of the civil rights movement. We saw internment in 1971 and the creation of the Provisional IRA in 1970; in political terms, we saw the rise and false dawn of Sunningdale and its collapse early in 1974.

However, it seems to me that, for better or worse, there is no getting away from the fact that Bloody Sunday, 30 January 1972, sits as a fatal day, a fatal moment in Northern Irish history. It was a recruiting sergeant for the provisional IRA, and, as was stressed by the hon. Member for South Down (Ms Ritchie), that in itself led to the inexorable rise of violence. I also believe that the publication of the Saville report on 15 June this year marked another of those critical moments in the journey towards peace, not just because the report pursued the truth for the individuals who lost their lives that day and their families, but because, as many Members have said, righting the wrongs of Widgery was such an important part of the mix. In my view, it has helped to restore confidence in British justice, not just here and on the island of Ireland but further afield. It is also a critical moment in the journey to peace because of the reconciliation it has brought between the various communities in the north of Ireland.

The hon. Member for Belfast South (Dr McDonnell) spoke of the response to the Prime Minister's statement from the Guildhall square in Londonderry. Who would ever have imagined that a British Prime Minister would have been applauded and cheered there at that time? The Prime Minister said that the actions of the soldiers on that day were unjustified and unjustifiable, and the Taoiseach described his words as brave and honest. These are all important moments that we need to take into account when considering Saville.

The hon. Member for South Down said that we should consider the report with humility. That is a good word. In the debate on Saville in the other place, Lord Eames used the phrase "very sombre", explaining:

> "I use the word sombre because I can think of no other appropriate word which would remove triumphalism, or any other equivalent word, from that occasion."—[*Official Report, House of Lords*, 13 October 2010; Vol. 721, c. 524.]

It is important that we go forward from Saville bearing in mind that no triumphalism should be associated with any aspect of either what happened on Bloody Sunday or as a consequence of the Saville report.

The report's conclusions were, in part, extremely damning. I do not intend to rehearse them now as many speakers have talked about the actions of the soldiers on the day, but some more sympathetic comments were also made which I think should be given an airing in this Chamber. Lord Saville said the acts on that day were the acts of some, not of all, and he commended the restraint shown by many soldiers. He also pointed out the difficulty in separating the rioters from the ordinary marchers and, as we have heard from the Secretary of State, he rejected the idea that there was some kind of intentional plot to set out to kill people that day. He noted, too, that there was paramilitary activity that day. Martin McGuinness was probably armed with a Thompson sub-machine gun, and it is probable that he fired his weapon.

I have read the Saville report—not every word, but a substantial portion of it—and the following extract is one of the most poignant and important passages:

> "It is a well-known phenomenon that, particularly when under stress or when events are moving fast, people often erroneously come to believe that they are or might be hearing or seeing what they were expecting to hear or see."

I am very thankful that I have never been a young man of 19 with my finger on the trigger of a gun and having to take a split-second decision as to whether a failure to fire might cost me my life.

It is important that we recognise, as some speakers have, the sacrifice and service of our security forces, intelligence services and the Royal Ulster Constabulary—and the Police Service of Northern Ireland today—for all they have done to try to bring peace and a better quality of life to Northern Ireland. More than 600 service personnel have died and more than 6,000 have been wounded since the troubles began. We owe them a very great deal.

I wish to talk briefly about the costs, an important topic about which we have, perhaps, not heard enough this afternoon. The figures speak for themselves: Saville has cost £191 million and taken 12 years even though we were initially told it might last for only two years. One reason for that is that the scope of the inquiry was very broad—a decision taken by Lord Saville himself, I believe. Also, all the details were drilled down into—every single soldier who fired every shot, and all the other evidence surrounding the incident—instead of a more general view being taken which might have come to just the same conclusions and made the whole process quicker.

Stephen Phillips (Sleaford and North Hykeham) (Con): One of the criticisms rightly levelled at the Widgery inquiry and report was that the scope had been too narrow. Does my hon. Friend agree that Lord Saville was right to go into all of the circumstances surrounding the events of that dreadful Sunday?

Mel Stride: My hon. and learned Friend makes an important point, and I am certainly not here to defend the Widgery inquiry, which sat for just three weeks directly after Bloody Sunday and came out with what most of us now accept was a complete whitewash. However, there is a balance to be struck and on the point that my hon. and learned Friend raises, Sir Louis Blom-Cooper, writing in *The Guardian* on 17 June, said:

"The overriding factor in the expansiveness of the oral hearings was a misjudgment about the nature and scope of public inquiries. The purpose of an inquiry is not primarily to apportion blame on any individual participant in the event under inquiry. Specifically, the tribunal positively may not determine civil or criminal liability; that is for the courts.

The aim is to find out what happened and how it happened, and to learn lessons."

So one aspect that we need to examine closely is the scope that Saville chose.

We also need to take into account the fact that this happened 38 years ago; the interested-party status that was afforded to a number of people and the legal bills that went with that as a consequence of the wide scope; the various appeals from the Ministry of Defence; the fact that the case was not heard entirely in Londonderry—for a period of 13 months it was heard in London, which alone apparently had a price tag of £10 million—and the use of technology, with the virtual reality reconstruction of Londonderry as it was on that day. All that, bit by bit, incremented the cost to the level that we have heard.

I believe that there was an overarching dynamic at work on the costs, and we have heard about it from the Secretary of State and others. Given the history of Widgery, for the Saville inquiry to be seen as effective, valid and uncompromised it had to be left alone to do its work. The problem is that when that situation is arrived at, and with a judge who is not a business man, the control of the costs is let go. I shall quote one example in this regard. It is very important because, wherever the control of costs might be expected to have lain, the reality is that because of the sensitivities of the peace process and the historical context of Widgery, they inevitably could have lain only with Lord Saville and the tribunal.

I shall quote part of the question that I asked Lord Saville during the Select Committee hearing. I asked:

"would you not accept that, if you have a process—an inquiry—that lasts 12 years and costs over £190 million, it is inevitable that there would have been efficiencies that could be applied—maybe only discovered with hindsight—that could have delivered the same quality of result but at less money and less time? And if you do accept that, what, with hindsight, would those changes have been that would have delivered it quicker and at less expense?

He replied:

"I am not sure I can accept your premise"—

that being the idea that something could have been saved. He continued:

"I strongly suspect that you could have gone and got 10 quid a night off the hotel accommodation costs or something like that, or you might have been able to, but if you are talking about really substantial sums, I am not aware of anything, looking back, where we could...have done better."

That illustrates the point more powerfully than any other I could make that we had a judge in charge who was not a business man—of course we should never have expected him to have been that. He was a good judge, and he has produced a very thorough and detailed report, but he and his tribunal would never be expected to control costs.

I wish to talk briefly about future inquiries. As the Prime Minister has suggested, we have to draw a line under future inquiries of this nature. If we do not, we will get into the business of some kind of hierarchy of victimhood, involving those who should be given this kind of opportunity and those who should not. We must not go down that road. It is time for Northern Ireland to move on. It is time for Northern Ireland to start focusing on the big issues, such as the economy, rather than the past.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. I find myself in the position of being able to extend the time limit for the remaining speakers who are here to 15 minutes.

4.49 pm

Mark Durkan (Foyle) (SDLP): Thank you, Mr Deputy Speaker. As the MP for Foyle, for the city of Derry, I welcome the fact that we are having this debate on the Saville report, as was promised. I appreciate the many contributions that we have heard. I do not agree with some of what has been said, but it is important that this House, having established the inquiry, should take the proper time to debate and reflect on the report.

It is important, even on this day, to remember that we are talking about an event that took the lives of 13 people on the day and one more later. We should remember them by name: Gerald Donaghey, 17; John Young, 17; Michael Kelly, 17; Kevin McElhinney, 17; Jack Duddy, 17; Hugh Gilmour, 17; William Nash, 19; Michael McDaid, 20; James Wray, 22; William McKinney, 26; Gerard McKinney, 35; Patrick Doherty, 32; Bernard McGuigan, 41; and John Johnston, 55, who died later.

We should also remember that people were injured that day—again, innocent people. They were Damien Donaghey, Michael Bridge, Alana Burke, Michael Quinn, Patrick O'Donnell, Patrick McDaid, Alexander Nash, Margaret Deery, Michael Bradley, Patrick Campbell, Joseph Mahon, Joseph Friel, Daniel Gillespie and Daniel McGowan.

When we talk about these events, it is important that we do not talk just about an inquiry and a process of reports. It is important that we remember other victims, as hon. Members have reminded us. It should be recalled that on 15 June the Bloody Sunday families, as well as celebrating the verdict in the Saville report of the innocence of their loved ones, and as well as celebrating the articulate and compelling apology that was given by the Prime Minister in the House, took time to remember all the victims of the troubles. They did not think just of themselves. They did not think that they were the only ones who had been denied justice and truth, or that they were the only ones who had suffered in the bitter troubles that we have gone through. That needs to be remembered, in case some of us in the political arena turn this, unfairly and falsely, into an occasion for "what-aboutery".

[Mark Durkan]

Many people have offered assessments of the Saville inquiry. I commend to Members an assessment of the Saville report—that is what it is called—produced last week by the International League for Human Rights. In particular, I commend the work of two respected human rights lawyers, Bob Muse and Jack Bray. Interestingly, back in 1972 the league did an assessment of the Widgery report as well. The assessments examined both in their time, and examined the evidence that was available then and now. They are not very long reports but they make compelling reading.

It is important for the House to remember that there are many other questions arising from the Saville report, so I join my hon. Friend the Member for South Down (Ms Ritchie) in asking the Minister, when he replies, to tell us what has become of the report that was to be prepared by the Secretary of State for Northern Ireland and the Secretary of State for Defence and given to the Prime Minister. Has that report been prepared? Are there other reports and will they be shared with the House and the wider public?

It is not enough for the present Government to say, "A lot of the questions that arise from Saville are not questions for us." People might say that the question of prosecutions will fall to the prosecuting authorities in Northern Ireland—to the police and the Public Prosecution Service. There is also the issue of whether there are to be prosecutions here in relation to any perjury that may have been committed when the inquiry took evidence here in London.

The question of the inquests is now a devolved matter. Many years ago the inquests that took place could deliver only an open verdict. That was all they could do. Now, in the light of what has become available by means of the Saville report, the families are clear that they want to see that issue addressed. I know that that will have to be followed through other channels, not just here in the House.

I have listened carefully to what other Members said, and I noted that the hon. Member for Tewkesbury (Mr Robertson) made the point that one of the problems with an inquiry into events so long ago was the difficulty of memories failing. I do not know whether, when he said that, he had in mind the case of General Sir Mike Jackson, who gave evidence twice at the inquiry. The first time he was in the witness box, in April 2003, he failed to mention that within hours of the shooting he was the person who wrote the account that became the received state version—effectively, the official version—of what happened. When he was back in October 2003, he agreed that he had provided such an account. He also said that he had written out the accounts of the shooting by the commander of 1 Para, Derek Wilford, of the commanders of each of the three companies deployed and of the battalion intelligence officer. He said that he wrote their accounts—that that was what he prepared—but in evidence, none of those officers remembered any such thing happening. The question arises whether he came up with the whole narrative himself. Was he the webmaster at the heart of a syndicated deceit that became the propaganda version—to use the words of the Prime Minister in his conversation with Lord Widgery—that went out through British embassies and the British media on the night of Bloody Sunday and in the days after, and again in the Widgery tribunal?

What happened with Widgery and with that relentless misrepresentation of the events of Bloody Sunday, which involved not just the Army and the soldiers who were there on the day but all sorts of agents of the British Government and the British state, was that lies were erected on stilts and they strutted the world to crush the innocent name of the victims of Bloody Sunday, who died marching for justice in their own streets and offering no violence.

When lies are erected on stilts in that way, dismantling them unfortunately means that a judicial inquiry, a proper, thorough judicial inquiry, was needed. Given all the circumstances, that was going to take time and money. I wish it did not take as much money and that it did not take as long, and I know that many of the families do, too, so let us get some of these things into perspective.

Questions also arise for the Government regarding the Saville report. If they are taking full responsibility—we have heard that phrase used—what are the consequences of that responsibility? Is it just a case of the articulate apology in this Chamber that was so well received in the Guildhall square in Derry? Was that enough? Does that mean that it is over? Are there other questions to be asked?

What of the position of the Parachute Regiment? They were not just involved in Bloody Sunday; as other hon. Members have mentioned, there was Ballymurphy and Springhill. Let us remember that in September 1972 there was Shankill, where the paratroopers again killed two innocent Protestant men. In a poignant irony, one was called McKinnie and one was called Johnston—names that appear in the list of the innocent dead in Derry as well.

Is anybody going to look at what was going on with the Parachute Regiment and its use and deployment? Many of us, when we look at the Saville report, welcome the clear findings on the events of that day and the detailed findings on each and every one of the shootings that took place. We feel that Saville left other questions perhaps not fully accounted for. Should people have known what was going to happen as a consequence of the deployment of the paratroopers that day? If John Hume—and, as evidence now shows, officers of the British Army at the time—had serious worries about the paratroopers, given what had happened in Magilligan, should nobody in charge in government and no commanding officers have had any worries or anxieties about their deployment?

It is quite clear that the RUC senior officer in Derry at the time had serious qualms not just about the Paras being brought in but about the tactics and approach that were being used. His concerns were brushed aside. In the debate in the other place, one noble Lord suggested that part of the problem that day was that unfortunately the RUC local commander was not available as he had the day off. The concerns and position of the RUC commander, Frank Lagan, whom I knew personally, were dismissed on that day.

Wider questions should be asked about the thinking of the Government and others in command that day. People find it hard to believe that this aberration, as

some hon. Members have called it, just boiled down to a lack of fire discipline on the day by some squaddies and to the madness and irresponsibility of one officer, namely Colonel Wilford. Let us remember that in the aftermath of Bloody Sunday—little more than a year later—Colonel Wilford received an OBE in the Queen's honours list. I understand that there is an Honours Forfeiture Committee; is it considering the honour that was given to him? It came as a huge insult to people not just in Derry but throughout Ireland because they saw it as his reward for what had happened on Bloody Sunday—for the injustice and murder of that day and for the lies that were concocted and propagated thereafter. What is being done in that regard?

In the years after Bloody Sunday, the families of those victims, like so many of the grieving families of the troubles, received pretty insulting ex gratia payments. They were told in December 1974 that they would receive those very small amounts of money and negligible compensation was awarded in the name of so many of the young dead who were unemployed or who had no dependants. Those families had to suffer not only the level and terms of those payments, most of which they did not take themselves but passed on to charities or gave away because that is how they felt about them, but being caricatured, besmirched and traduced by a cartoon in a British newspaper—*The Sun*, I think. Because the news came on 18 December 1974, *The Sun* did a cartoon showing Santa with £250 notes coming out of his sack.

Let us remember what the Bloody Sunday families have been through. In trying to correct the injustice of that day, they have faced insults, injustice and indifference and they have put up with prevarication and provocation. Let us be clear that they have achieved something not only for themselves but for those who search and thirst for justice in other parts of the world where people face the violations of unaccountable power.

May I correct the suggestion by some hon. Members that Lord Saville's report deals only with the events of Bloody Sunday? It deals also with the context in which Bloody Sunday happened: there are nearly 1,000 pages dealing with events before and leading up to that day. It deals with other deaths, including the murder of the two policemen in the days before. I was at the funeral mass of one of those policemen on the day before Bloody Sunday. That morning, I heard Father Anthony Mulvey condemn the murder by the Provisional IRA; he condemned the IRA, its efforts and its effects not just for what it did to those policemen but for the threat it represented to everyone else. I then heard Father Mulvey again, on the Sunday night, condemn the murder by the paratroopers. He was right about the Provos and he was right about the Paras. Some of us have always held to that line and we welcome the fact that the Saville report has at least released many people from the burden of the wrong verdict on Bloody Sunday—but unfortunately not all.

5.4 pm

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): Mr Deputy Speaker, may I thank you very much indeed for giving me the opportunity to speak in this debate? I am not going to pretend for one moment that I am a great expert on Northern Ireland, but I am beginning to get better at it as I continue on the Northern Ireland Committee.

Before I go any further, however, may I pay tribute in my role as vice-chairman of the all-party group on the armed forces, with special responsibility for the Royal Marines, and as the Member for Plymouth, Sutton and Devonport, to those Royal Marines and royal naval sailors who also ended up losing their lives during the troubles in Northern Ireland? They left behind families and wives who also needed, no doubt, to grieve, and it is important that we pay tribute to the service personnel who lost their lives during those times.

I shall try to keep my contribution brief. I had a great-grandfather who told me that he did not mind his congregation looking at their watches, it was when they started shaking them that he became quite concerned, so I shall try to ensure that nobody—I hope—shakes their watch during my speech.

I am pretty sure that Tony Blair did exactly the right thing in setting up the inquiry, and that Lord Saville has made an incredibly good job—a very thorough job—of the whole process. Most certainly, the people of Northern Ireland now have to try to move on, and I suspect that that means ensuring that they have a grieving process that they can work their way through, so that they can come out the other side. I hope very much that what happened during the inquiry has helped somewhat towards that. I suspect that the reason why it took a large amount of time and effort to ensure that the Saville inquiry was so thorough, and why it answered many of the questions that many people had, was that the previous inquiry, the Widgery inquiry, was such a botched job.

I shall concentrate on the process, because, although I do not know Northern Ireland particularly well, in my short time on the Northern Ireland Committee I have become quite concerned about how the process was gone through. The inquiry cost £190 million, a shed-load of money, and if we were not in difficult times and suffering as far as the public finances are concerned, that might not have been taken into consideration, but in places such as Plymouth, people will most certainly be very concerned about it. Others have spoken about that issue, however.

I am also concerned about the fact that when Lord Saville talked to the Committee during its investigation of his inquiry, he seemed to disregard the idea of having any budgetary control. He said that he needed to ensure that he did the job thoroughly and well, which he most certainly did, but he did not seem to grasp the issue of the public finances. I do not blame him, because that was not necessarily his job, but somewhere in the process a problem occurred, and we have to take cognisance of it and take action to ensure that something similar does not happen should we decide to undertake another public inquiry, whether it be on Northern Ireland, a train crash or a terrorist attack. We need to ensure that we learn from the process in a big way.

I was obviously not a Member when the inquiry was set up, so I come to the issue with a certain amount of hindsight, which is lucky for me, but the lesson that we have to learn is that the process has to be handled much better. I should like to ask a number of questions, and the Northern Ireland Committee might need to ask some more people to come along and have a conversation. Indeed, I may suggest to the Committee's Chairman, my hon. Friend the Member for Tewkesbury (Mr Robertson), that we invite the former Secretary of State for Northern Ireland, the right hon. Member for

[Oliver Colvile]

St Helens South and Whiston (Mr Woodward), to explain the process that he ended up going through and how that process occurred.

Was it right, for instance, for the Northern Ireland Office to be responsible for the process? Should it not have been the Lord Chancellor's department or the Department that was then responsible for justice? Perhaps they should have had a role. After all, they have to deal with judges and lawyers on a regular basis and find out whether they can do a financial deal. I am sure that many of the legal firms that were engaged in the process have done and will do a lot of work for the Government, so perhaps we need to make sure that they did not charge the full hourly rate.

We must then ensure that there is some form of budget and that the Public Accounts Committee has a regular report made to it about how everything is going so that there is much more of a spotlight on it. We had a conversation with someone from the Northern Ireland Office who said that they had invited Lord Saville to talk to them about the budgetary constraints and so on, and he was rather dismissive and said no, he was not going to do that because it could have impugned his independence. I was slightly concerned about that. We are talking about public money—money which, as taxpayers, we end up paying our taxes for. It is very important that there is greater accountability and transparency in this regard.

Furthermore, is it right and proper that a judge, who is part of the legal profession, should be responsible for recruiting these people and deciding who should be handling some of the legal issues? There has to be more transparency in that regard as well.

This has been a very useful debate, and I am delighted to have had the opportunity to take part in it. I am sure that there is more yet to be teased out in this whole process. I look forward to talking to those at the Northern Ireland Office to ensure that they have understood some of the lessons on having a greater ability to control how expenditure takes place and controlling the process so that it does not go on for 12 years and we do not spend some £190 million on it.

5.11 pm

David Simpson (Upper Bann) (DUP): This has been a good debate. We are dealing primarily with the Saville inquiry, which of course leads us on to Bloody Sunday. However, may I again remind hon. Members that in Northern Ireland, for a period heading on for 40 years, there has been Bloody Sunday, Monday, Tuesday, Wednesday, Thursday, Friday and Saturday? With the greatest respect to right hon. and hon. Members of this House, apart from those who have served in the forces and those of us who live in Northern Ireland, they have absolutely no idea what it was like to live through the very worst of the troubles and the hell on earth that the population in Northern Ireland had to live through. It was horrific—absolutely horrific.

We know that a lot of families lost loved ones. In my own family, I lost four who were butchered by the provos. The only crime they had committed was that they had the guts to put on the uniform of the Crown forces. Because they did that, the provos took them out. They did not murder them—they butchered them. For some families in Northern Ireland, the Saville report provided a form of conclusion that they sought. For many more families, it served only to perpetuate the ongoing denial of the truth about the deaths of loved ones. Many hundreds of families in Northern Ireland do not know, and are not allowed to know, the truth about the deaths of their loved ones. I shall move on to that later.

As the Chairman of the Northern Ireland Affairs Committee said, the report itself points out:

"The situation in Londonderry in January 1972 was serious. By this stage the nationalist community had largely turned against the soldiers...Parts of the city to the west of the Foyle lay in ruins, as the result of the activities of the IRA and of rioting young men (some members of the IRA or its junior wing)...A large part of the nationalist area of the city was a 'no go' area, which was dominated by the IRA, where ordinary policing could not be conducted and where even the Army ventured only by using large numbers of soldiers."

That in itself is very revealing.

According to the Saville report, the nationalist community—that must mean the majority of the community in Londonderry—had turned against the Army, and that hostility had been translated into violence, wreckage and devastation. The IRA was active, and indeed it dominated a large part of the city. The report further points out that

"the armed violence had led to many casualties. There had been numerous clashes between the security forces and the IRA in which firearms had been used on both sides and in which the IRA had thrown nail and petrol bombs. Over the months and years before Bloody Sunday civilians, soldiers, policemen and IRA gunmen and bombers had been killed and wounded; and at least in Londonderry, in January 1972 the violence showed few signs of abating."

It also confirms that Martin McGuinness was pivotal in that orgy of economic and community destruction.

That provides some of the context around the events of that day. Now we have had the report, which has been welcomed by the families and by many politicians and political commentators. It has led to the Prime Minister's apology, but it has also had other outcomes. It has raised important questions regarding the role and behaviour of Martin McGuinness, who was a committed terrorist at that time. When he gave evidence to the tribunal, he refused to be open and full in his comments and preferred to fall back on his oath of allegiance to the Provisional IRA. We now need to know the truth about Martin McGuinness, not solely in relation to Bloody Sunday but in relation to Frank Hegarty, Patsy Gillespie, Father James Chesney and a host of other atrocities. We also need to know about Martin McGuinness's party colleague and fellow IRA commander, Gerry Adams.

The Saville report has also now created a fresh campaign and demand regarding events in Ballymurphy. It is clear that there is now to be an attempt to repeat the entire inquiry cycle all over again. Yet at the very time when that is going on, many people in Northern Ireland continue to live with their sorrow and loss, and with the bitter legacy of the long years of the troubles.

We have had an apology from the Prime Minister for the failings of that day in 1972, and if my recollection serves me right, there has also been an apology from the Secretary of State for Northern Ireland in relation to Claudy. Yet all across this United Kingdom, whether it be in Aldershot, Birmingham, London, Warrington or all over Northern Ireland, many people—UK citizens—

have been abandoned for decades by successive UK Governments. The direct role played by the Irish Republic in the formation, training, financing and arming of the Provisional IRA is a matter of public record. It is a thorny issue, but it is fact. Yet successive UK governments have said nothing and done less than nothing.

Those who campaigned for the Saville Inquiry did so partly on the grounds that the involvement of the state set it apart from all other events and atrocities. However, here is a case in which the direct involvement of a neighbouring state led directly to the deaths of UK citizens, and the UK Government have simply sat on their hands.

Let me again make an appeal to the Government. If Bloody Sunday was different because of the involvement of the state, then so too were the deaths of many UK citizens because of the involvement of the Irish Republic. Without any cost to the UK Treasury, the new coalition Government could press for an inquiry in the Irish Republic. Yet both the Secretary of State and the Minister have yet to make that call. I have to ask why. Why is it that they will not demand the truth? If Bloody Sunday families deserve the truth, then so, too, do all of those other victims in Northern Ireland and on the mainland.

If the Taoiseach was to come to the Dispatch Box in the Dail and apologise for the role that the Irish Republic played for all those years, it would start the healing process in Northern Ireland.

5.21 pm

Gavin Williamson (South Staffordshire) (Con): Thank you, Mr Deputy Speaker, for giving me the opportunity to speak in the Chamber on such a significant and important matter. I have been moved by many of the speeches today. Hon. Members spoke about their personal experiences and their efforts in trying to bring about an end to the troubles. I was particularly moved by the contribution of the hon. Member for Foyle (Mark Durkan), who spoke about the issues that have affected so many people in Derry.

No Member of this House could doubt the thoroughness and the lengths to which Lord Saville has gone to produce such a substantive inquiry into the incidents that happened on 30 January 1972. We have all been overwhelmed by the depth of the inquiry. However, we should not forget to put the incidents into the much wider context of the troubles that were happening beforehand and those that continued for an awful long time after.

I hope that the Saville inquiry will provide answers to many of the victims of that dreadful day, and by so doing, bring peace and closure for them. I am pleased that the inquiry has laid to rest some of the more outlandish and ridiculous accusations of British Government involvement.

We must not forget the price that has been paid by so many. The Prime Minister quite rightly accepted the role that the British armed forces played in the events that happened on 30 January. He took responsibility and acknowledged the Army's failings, and gave a full and true apology. I am proud and glad that our Prime Minister did that. I have always believed that where wrong is done, the person responsible should own up to it. I wish that many more people who have been involved in the conflict would also do the same.

We must not forget that more than 1,000 British service personnel and RUC officers laid down their lives to try to bring peace to Northern Ireland. We are—I am—ashamed of the incidents on 30 January 1972, but we cannot forget the sacrifice of so many. I urge all hon. Members, whatever their personal views, not to forget that sacrifice.

Let me consider cost. Perhaps it sounds a little cheap to talk about money when we have been considering people's lives, but we cannot ignore the fact that almost £200 million has been spent on the inquiry and that it dragged on for so long. As my hon. Friend the Member for Tewkesbury (Mr Robertson) said, the chairman, at the start of the inquiry, expected it to cost £11 million and to last for two years. That was either woefully optimistic or incredibly misleading.

Lord Saville did everything he could to get at the truth and to ensure that he prepared a thorough and proper report, but he was in charge of the inquiry and he must therefore accept responsibility for its management and for the fact that, under his guidance, it went from £11 million and two years to not 10 times but almost 20 times that amount. As a member of the Northern Ireland Committee, I was struck by almost a disconnect when we interviewed Lord Saville: he had to manage the inquiry, yet he seemed to feel no responsibility for protecting the public purse as well as getting at the truth. I think that he would almost have gone so far as to say that the two were incompatible. I do not believe that that is the case. I have the perhaps slightly old-fashioned view that any public servant has a responsibility for public money. Lord Saville unfortunately disregarded that somewhat as he went through the many years before reaching the inquiry's conclusion.

Much of the debate since the publication of the Bloody Sunday inquiry has focused on the cost and the length of time. However, we must not forget that it hopefully answered many questions for the many victims who suffered—unfortunately, 14 people died—as a result of Bloody Sunday. We must not lose sight of the fact that so many people paid such a horrendous price for peace. It is not just the responsibility of the Government to apologise for what has been done in the past, but that of all those who have done wrong and committed injustices.

An Irish friend once said to me, "The problem in Northern Ireland is that the Irish never forget and the British never remember." I do not know whether that is true, but it is incredibly important to look forward, not constantly backwards.

5.29 pm

Jack Dromey (Birmingham, Erdington) (Lab): Forty-eight hours after Bloody Sunday, I was on the ground in Derry with a team of lawyers from the then National Council for Civil Liberties, of which I became chairman. I have never been in a city so silent, traumatised by the death of its fathers, brothers and sons. The following Sunday, with 200,000 others, I marched in Newry. The march was characterised by total silence. Yet four years earlier in Northern Ireland, there were high hopes that a broad-based civil rights movement would end the second-class status of Catholics, and there were high hopes of tackling the problems of high unemployment and deprivation across the sectarian divide. If there was

[Jack Dromey]

high unemployment on the Falls road and in Strabane, Newry and Derry, so too was there high unemployment on the Shankill road, and in north and east Belfast. I remember the optimism of that time, but it tragically gave way. It was broken at Burntollet and shattered by the burning of 400 homes in the summer of 1969, which also saw the emergence of the Provisional IRA. A fire that was fuelled by the mistakes of successive British Governments put the British Army in an impossible situation.

I want to make this absolutely clear: I was, often including in the most difficult circumstances, an implacable opponent of the Provisional IRA. The Provisional IRA murdered hon. Members of this House, such as the admirable Airey Neave, a war hero who escaped from Colditz and who died a terrible death but yards from the Chamber, and Ian Gow. It also murdered workers from my union. The victims at Kingsmill, to whom others have referred, were members of the Transport and General Workers Union. Let me tell the House what happened. Their bus was stopped when they were going home after a late shift. They were ordered out. Hooded gunmen asked, "Is there a Catholic among you?" and the Protestant workers gathered around the Catholic to protect him—they would not surrender him. In the end, he stepped forward and was told to go down the road, and the provo gunmen mowed down those innocent Protestant workers.

I am a profound opponent of violence by the Provisional IRA. Let us not confuse that with the Saville inquiry. What happened on Bloody Sunday was a uniquely awful crime in the history of the troubles of Northern Ireland. The murder was made worse by a cover-up—a shameful whitewash—that caused bitterness for a generation. Only now, as a consequence of the Saville report, can Northern Ireland finally move on.

Profound lessons need to be learned, first by the Government. Our first duty is the security of our country, and there can be no truck with terrorism—there is no excuse for the bomb or the bullet. I think of the global situation. There was an intelligent exchange today between the Prime Minister and the Leader of the Opposition, who said the solution to the problem of Yemen being used as a base for terrorism was in part economic development. There are also lessons to be learned from our own country. We must always seek properly to strike the balance between security and liberty.

The second lesson is for the Army. We have today heard outstanding, moving testaments of all that is best in the British armed forces from the hon. Members for Beckenham (Bob Stewart) and for Keighley (Kris Hopkins). I know that from my own experience, because for 15 years, I was chairman of the defence trade unions. Three times a year, I would address seminars of senior representatives of the armed forces at Greenwich defence college. I was deeply impressed by the sophistication of the modern armed forces and their leadership, and by those who said time and again that they had learned terrible lessons from what happened in Northern Ireland, particularly from Bloody Sunday. It is to the great credit of the Army that it has done that. Rightly, it now deserves its worldwide reputation as the finest peacekeeping force on the globe, which it earned from Kosovo to Sierra Leone.

The third lesson that we can draw is that the cover-up makes the crime worse. Widgery caused enduring bitterness in Northern Ireland. I have to pay tribute to the Prime Minister. His statement in the summer was brave and right. He did not equivocate for a moment, which led to the deeply moving sight of the families in Derry saying that their sons, brothers and fathers were innocent. What happened that day was this House at its best, and it was a landmark contribution to the peace process in Northern Ireland.

If painful lessons have been learned, it is also right that today we should celebrate remarkable achievements, including the triumph of the peace process and the historic accommodation of the two great traditions of Unionism and nationalism in Northern Ireland. I know from personal experience how tough that can be. Yes, there was remorse from people such as Gusty Spence from the Ulster Volunteer Force, and I remember talking to a shop steward from the old TGWU, a provo gunman who had served 14 years for killing two innocent Protestants and who was racked with remorse for what he had done. However, there are also enduring problems of division and the consequences of the troubles, both economic and social. We also face the threat of renewed terrorism in Northern Ireland, to which every Member of this House will stand in opposition.

The final lesson to learn is the need to stand by the people of Northern Ireland. The House is entitled to say to our friends from all political parties in Northern Ireland that there can be no looking back and no going back. The peace process is a remarkable achievement for the good of the people of Northern Ireland that successive Governments, Conservative and Labour, have worked hard to cement. Contributions from all political parties in Northern Ireland have made the point about the need for continuing public investment, and I strongly agree.

Ireland is truly the emerald isle. However, for two centuries it was racked by division and ruined by poverty. Generations of people left Ireland for economic exile. My father came here from County Cork to dig roads in 1939, and he was followed by my mother in 1940, who came to work in a hospital in London. My father and his brothers then joined the British Army to fight in the great war against fascism. Following those two centuries of division and poverty, we now have—if we can look beyond the immediate problems that confront the island of Ireland and Northern Ireland in particular—the prospect of the next generation finally seeing this great island move on to enduring peace and prosperity. That is an immense prize, and I like to believe that Saville and how it has been handled by this Parliament, will be a landmark in that process.

5.39 pm

Stephen Phillips (Sleaford and North Hykeham) (Con): I wish to associate myself not only with the statement that my right hon. Friend the Prime Minister made to the House earlier this year, but with those by both Front Benchers at the outset of this debate. The Saville report is a unique and valuable report, not only in the life of Northern Ireland, but in that of the whole United Kingdom. Like my right hon. Friend, I am deeply patriotic and I never want to believe anything bad about my country, but from the conclusions reached by Lord Saville and his colleagues, it is clear that something

went badly wrong on that Sunday in January 1972. It is my belief that the Prime Minister was entirely right to deliver an apology on behalf of the Government and the nation to the families of those who lost loved ones on that dreadful Sunday.

Where I perhaps part company with my right hon. Friend the Prime Minister and some hon. Members who have spoken in this debate is on the clarity that has been ascribed to some of the conclusions that the inquiry reached, at least in the minds of some people. I do not for one moment dispute the tribunal's findings, and they are clear; nor for one moment would I defend the indefensible. With one exception, the tribunal was clear. The firing by the British Army that day was entirely unjustified, and indeed contravened the rules of engagement applying at the time.

However, it is right for the House to bear in mind the fact that Lord Saville's deliberations with his colleagues and his conclusions took place a considerable time after the events with which he and the tribunal were concerned. He started three decades after those events, and he ended his task nearly 40 years after them. It was a tall order to ask any judge, even one of the standing of Lord Saville, who was so ably assisted by Mr Hoyt and Mr Toohey, to reach wholly unimpeachable conclusions on the events that underpin the tragedy that we are discussing this afternoon. It is more than a tall order to ask a judge to do so some 30 or 40 years after the events in question, often unassisted by evidence owing to the death of those who were present. When a judge in such an inquiry is assisted by evidence, that evidence will be less valuable than it would have been without the passage of time.

Mr Gregory Campbell: The hon. Gentleman is elaborating succinctly on the tall order of expecting a judge to remember clearly what happened so many years before, but is it not an equally tall order to expect all the witnesses to have a clear recollection of all the events of so long ago?

Stephen Phillips: Indeed it is, and perhaps I was expressing myself unclearly. The difficulty for anyone who presides over such an inquiry so long after the event is that when the evidence is oral—that was principally the evidence that was directly relevant to the matters that the tribunal had to consider—it is undoubtedly weakened by the passage of time. The oral evidence was less satisfactory than it would have been much closer to the events in question.

That brings me to Lord Widgery's report back in 1972. He was able to consider the events much closer to the time, but having read his report on several occasions and for this debate, I have always had, as I have today and as many hon. Members have, a feeling of considerable unease, even if it does not rise to the same level as that in the mind of the hon. Member for Birmingham, Erdington (Jack Dromey).

The report was produced in a different era by a judge of a different mettle from Lord Saville, who had served in the Army during the second world war and who, in the 10 weeks available to him to deal with the matter, was deprived of much of the evidence that subsequently emerged. It is not my function on this or any other occasion to defend Lord Widgery, great judge as he was in many respects. I suspect that he was hindered by the absence of evidence before him, and by his training, but I also suspect that he was hindered by his outlook. Constitutionally, it was impossible for judges at that time to accept that soldiers from the Parachute Regiment, like policemen, who gave evidence would not be telling the truth when they said that they were fired upon before they fired.

We shall never know the truth of who fired first, but even with the passage of time and having read the report in its entirety, I have little doubt, given the evidence that supports its conclusions, that Lord Saville came much closer to the truth, even on the balance of probabilities, in finding, as he clearly does, that the first shots were fired by the British Army. I suspect, however, that neither we in this House nor anyone else will ever know for sure who fired the first shot. I accept entirely, as do the whole House and the Government, the conclusions that Lord Saville reached, but I have regretted some of the things that have been said about them by some in Northern Ireland, whatever hurt and anguish they might have carried to this day as a result of the events of Bloody Sunday.

I want to say a little about the position in which 1 Para found itself in Derry on that day. The situation was, in a sense, unprecedented in modern British history, and that should not be forgotten when we consider the report and the motion on the Order Paper. It was a situation in part of the United Kingdom in which the civilian authorities had effectively lost control of a British city and had not the means to regain it, even if they had been willing to make the effort. The Official IRA and the Provisional IRA were both active in the area, and there was real concern that there might be violence between the communities on either side of the sectarian divide during the march planned for that day.

That was all taking place against a background of the nationalist anger directed at the Army and the Government that had previously given rise to the many other incidents of violence that Lord Saville dealt with in his report. Referring to the so-called Saturday matinées—the regular incidents of rioting that took place at the corner of Rossville street and William street, a junction known to British soldiers as "aggro corner"—the report said:

> "We have little doubt that had the crowd isolated a soldier, it is likely that he would have been killed."

The British Army was facing such regular instances of rioting at the time in Derry and elsewhere in that part of the world.

In this country, we expect a lot of our young soldiers. We expect their bravery, their loyalty and their obedience, and we are right to do so. Yet soldiers are no more superhuman than the rest of us, as my hon. Friend the Member for Beckenham (Bob Stewart) can tell us. The stress under which they must have found themselves day after day on the streets of Northern Ireland must not be forgotten or underestimated. Their lives were at risk, and no one should doubt that to have been the case. That said, however, following the Saville report, I cannot associate myself with what my hon. Friend the Member for Newark (Patrick Mercer) said earlier. If criminal acts were committed that day, the passage of time should not be seen to exculpate those responsible, and the course of the law will have to follow.

In a very real sense, given these facts, Bloody Sunday was a catastrophe waiting to happen. Whoever fired the first shot, and whatever actually happened on that day,

[Stephen Phillips]

all sides involved in the troubles must shoulder some of the blame. This long-awaited report—perhaps too long-awaited, and certainly too expensive—offers the House, the people of Northern Ireland and the country the ability to draw a line under this awful chapter in our history. The truth is now out, and I hope that this opportunity will be taken, so that we can finally ensure that there is peace in Northern Ireland.

5.48 pm

Eric Joyce (Falkirk) (Lab): I should like to begin by thanking colleagues and Members of the House for their friendly comments and advice in the past few days since I took up this new job. It is a great privilege to be winding up in a debate of such historical importance.

We have heard many powerful contributions today, and a great deal of moving personal testimony that has reflected the experience of many Members present, as well as their constituents and comrades. As the Secretary of State and the shadow Secretary of State, my right hon. Friend the Member for St Helens South and Whiston (Mr Woodward), said in their opening remarks, when the Prime Minister used the words "unjustified" and "unjustifiable" in respect of Bloody Sunday, he spoke for all Members here. As my right hon. Friend said earlier, the inquiry is not just about the past; it is about the present and the future. We have heard that, although some question the eventual cost and time over-run of the Saville inquiry, in terms of what my right hon. Friend referred to as its value—its human value—Lord Saville and his team have done us all and the people of Northern Ireland a great service.

We have heard many first-class and moving contributions, and I think I have time to cover them all. The hon. Member for Wyre and Preston North (Mr Wallace) who served in the Scots Guards reminded us that the tragedies of the troubles extended well beyond the day of Bloody Sunday itself. He counselled against having never-ending inquiries and referred to Claudy, Warrenpoint and Bloody Friday. He took the view that the Saville report should represent a line in the sand, whereby we recognise that wider injustices happened in Northern Ireland, but view them as "once and for all". Clearly, Labour Members see a question mark over that. The hon. Gentleman also stressed the rules of engagement for individual soldiers and the responsibility that each soldier has.

My right hon. Friend the Member for Torfaen (Paul Murphy) was the Minister for Political Development at the Northern Ireland Office in 1988 and subsequently became a fine Secretary of State for Northern Ireland. He made an immense personal contribution to peace in Northern Ireland. He said that the Saville inquiry was central to progress and agreed with my right hon. Friend the Member for St Helens South and Whiston that there remains a palpable need for a Finucane inquiry, as recommended by the Cory report. My right hon. Friend also argued that the cost of future inquiries—notwithstanding the excellent work done by the Historical Enquiries Team—should be met by the UK Government, not the Northern Ireland Administration. He noted the powerful point that we cannot move into the future until we have dealt properly with the past.

Chris Ruane (Vale of Clwyd) (Lab): I apologise for my late intervention; I wanted to speak earlier, but did not manage to catch Mr Speaker's eye. Does my hon. Friend agree that the role played by my right hon. Friend the Member for Torfaen (Paul Murphy) in Northern Ireland was exemplary? Does he also agree with my right hon. Friend that the Government should look seriously at the Eames-Bradley suggestions for proper inquiries to look back at past tragedies and outrages during the troubles? If we can gain the confidence of both communities and if this can be achieved without the expense of the Saville inquiry, we should view it as a worthy object to pursue?

Eric Joyce: I thank my hon. Friend and take note of what he says. I take pleasure in agreeing with his comments about our right hon. Friend the Member for Torfaen. Much has been said during the debate about future inquiries. Labour Members recognise that there will be a demand for them, although we have to bear in mind the important cost implications. Of course, we think that the Government should come back to us on this issue. I think that many people take that general view. Although some want to move ahead without inquiries, Labour Members do not fully agree with that, although we understand the sentiment of the argument.

The Select Committee Chairman, the hon. Member for Tewkesbury (Mr Robertson), was the Opposition spokesman when the present Government were in opposition. He noted that many people assumed in the first instance that the Saville inquiry would take only a year or two. He also noted that the original assumption was that it would cost about £11 million, of which £1 million would be for lawyers. I do not know exactly how much of a lawyer we get for £1 million, but it was certainly not as much as proved necessary for the Saville inquiry. The hon. Gentleman rightly drew attention to the eventual cost for lawyers as more than £100 million. He reminded us of the tragic dimension of the waste of human lives on all sides, and noted how wider lessons can be learned by other parts of the world. He referred to the visit last week by Rwandan politicians to his constituency and then to Belfast. I had the privilege of meeting those very same people. This is indicative of the fact that, at some stage, people can learn wider lessons from what happened in Northern Ireland.

The hon. Member for East Londonderry (Mr Campbell) told the House about what I view, frankly, as a shocking experience; it is certainly outwith the experience of most Members, other than those representing Northern Ireland. He mentioned what happened through a Facebook site. He reminded us of some of the IRA's early victims, including the first soldier to die in Derry. The hon. Gentleman complained that Lord Saville did not fully contextualise the circumstances of the day. He told us that "murder, mayhem and terror" were "rife" and referred to the fact that two police officers were murdered only days before one was buried on the day of Bloody Sunday itself. He took the view that further inquiries would not lead to progress.

The hon. Member for South Down (Ms Ritchie) praised the former Prime Ministers John Major and Tony Blair for their role in establishing the inquiry. She welcomed the Prime Minister's statement of apology, which she described as a great comfort to the families, to people throughout Northern Ireland, and to people

in the south. I believe that it was also a comfort to people in Scotland, England and Wales. The hon. Lady mentioned other cases, including those of Rosemary Nelson, McGurk's bar and Ballymurphy, and called for the innocence of those killed unlawfully to be properly declared in future. She supported the call of many other Members for further inquiries where appropriate.

The hon. Member for Beckenham (Bob Stewart) is probably the only Member who was serving in Northern Ireland at the time. He has a prestigious military record and has commanded a regiment, which is important in the context of today's debate. For that reason, his words bore a particular significance. He described the shortcomings of kit and training in the early years of British Army deployment in Northern Ireland. He praised his regimental colleagues, and said that Bloody Sunday was both a disgrace and an aberration. He rightly described it as a terrible failure at the level of battalion command.

My hon. Friend the Member for Rutherglen and Hamilton West (Tom Greatrex) made the important point that justice would be seen and interpreted in different ways by different people. He counselled against measuring the success or otherwise of inquiries simply in terms of time or money.

The hon. Member for Newark (Patrick Mercer)—like his hon. Friend the Member for Beckenham—has a long and prestigious military record, and, crucially, has also commanded a regiment. He had some specific comments to make about the commanding officer on Bloody Sunday. He made particular criticism of Colonel Derek Wilford, the commanding officer of the 1st Battalion, the Parachute Regiment, and referred to an interview that he conducted with him on the BBC's "Today" programme. I remember that interview very well. I believe it took place in 1999.

The Minister of State, Northern Ireland Office (Mr Hugo Swire): The hon. Gentleman is too young to remember it.

Eric Joyce: I think that I am slightly older than the hon. Gentleman, so that is very nice of him.

I recall the interview vividly. The hon. Member for Newark, who was working as a journalist on "Today", had persuaded Colonel Wilford to appear on the programme. It was staggering that, after all those years and after everyone's questions about Widgery, he did not regret anything for a moment. That was the most astonishing and disgraceful thing that one could possibly imagine, and it has stuck in my mind through the years. It is true that we did not know then what we know now, but it was a remarkable interview none the less, and I remember the hon. Member for Newark's part in it very well.

The hon. Member for Belfast South (Dr McDonnell) strongly welcomed the outcome of the report on behalf of all the families affected. He condemned the Widgery report as essentially part of a propaganda war. He also condemned those who had been guilty of paramilitary violence over the years. He criticised the Saville cost overrun, and, like other Members, referred particularly to lawyers' fees. He also echoed other Members in saying that something was amiss—I am putting it mildly—in respect of command and control in the Parachute Regiment. I believe that that is widely accepted today.

The hon. Member for Keighley (Kris Hopkins) made a moving speech describing his own experience of serving in Northern Ireland as a private soldier with the Duke of Wellington's Regiment. He reminded us of the sacrifice made by British Army troops over the years, and stressed that although Bloody Sunday besmirched the reputation of the Army, Support Company of the Parachute Regiment on that day did not represent the standards of the Army as a whole then or, in particular, since then. I think that we can all agree with that.

The hon. Member for Strangford (Jim Shannon) said that he strongly supported the peace process, but criticised the cost of the inquiry. He felt that many would think the outcome a political gesture, and said that there had been no justice for the workmen killed at Bessbrook, or for his cousin, a serving UDR officer, and his colleague, who were killed on the same day and at the same time by the Provisional IRA. I think it fair to say that the essence of the hon. Gentleman's argument was that the inquiry process as a whole—including the Saville inquiry and any putative future inquiries—was one-sided by its very nature.

The hon. Member for Foyle (Mark Durkan) read, memorably, a sombre roll-call of those who were injured and killed on Bloody Sunday, and asked what would happen in terms of follow-through in relation to issues such as possible perjury, other possible prosecutions, and lessons learned at the Northern Ireland Office and the Ministry of Defence. He specifically spoke about the Parachute Regiment at the time of Bloody Sunday. He said the Saville report left questions unanswered and he asked if Colonel Wilford could be stripped of his OBE. I have heard serving officers ask the same question, although it is not necessarily what everyone would want; different people have different opinions, and these events seem a long time ago now. I had understood until very recently—yesterday in fact—that Colonel Wilford had died. That was reported on the BBC, but apparently when he died he only went to Belgium. I have been to Belgium and it is not such a bad place. He is still alive and well therefore, and he can readily be stripped of his OBE if people think that is appropriate. That is a matter for others, however.

The hon. Member for South Staffordshire (Gavin Williamson) noted the sacrifices made by British troops in Northern Ireland over the years, and the hon. Member for Plymouth, Sutton and Devonport (Oliver Colvile) felt lawyers should not charge full fees and we should keep down the costs of such inquiries. The hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) felt the Widgery inquiry had been profoundly weak because of Widgery's own experiences at the time and the assumptions he would have had and would have brought with him to his inquiry. He also praised the Saville inquiry unreservedly, apart from a technical reservation or two.

My right hon. Friend the Member for St Helens South and Whiston and others asked a number of questions. Those questions do not raise doubts about the great value of the Saville inquiry report; that goes without saying. I think we all agree about its great value; the families certainly do, as do the people of Northern Ireland and the rest of the United Kingdom. However, some important matters follow on from the report. Perhaps chief among them are questions about holding other inquiries, including on Finucane. I hope

[Eric Joyce]

the Minister will be able to say in his reply to the debate when progress will be made in coming to decisions on those matters.

6.1 pm

The Minister of State, Northern Ireland Office (Mr Hugo Swire): This has been an extremely welcome and well-informed debate, which has honoured the commitment given by my right hon. Friend the Prime Minister that the House would have an opportunity to debate this important report in detail. I would like to start by recording my gratitude for the supportive words of the shadow Secretary of State, the right hon. Member for St Helens South and Whiston (Mr Woodward), and the new shadow Minister, the hon. Member for Falkirk (Eric Joyce), on the Government's response to this report. I also welcome the right hon. Gentleman back to his role, and in particular I congratulate the hon. Gentleman on his appointment as shadow Minister, a post which I am sure he will enjoy very much.

It is important that we approach these very sensitive issues in a bipartisan manner, and I am sure we can rely on the Opposition spokesmen to continue to do so. Having said that, however, their words this afternoon might have carried greater generosity if they had acknowledged the work done in the peace process by John Major and the Conservative party. Next week is, of course, the 25th anniversary of the signing of the Anglo-Irish agreement.

Chris Ruane *rose—*

Mr Swire: I will not give way to the hon. Gentleman as he did not speak in the debate and I must make progress.

The right hon. Member for St Helens South and Whiston and the hon. Members for Rutherglen and Hamilton West (Tom Greatrex) and for Foyle (Mark Durkan) raised the issue of prosecutions. I remind them that prosecutions are not a matter for government. It is for the independent prosecution authorities to consider such issues. It would be completely inappropriate for the Government to intervene by pressurising the prosecution service to provide a deadline. That would clearly compromise the independence of the process.

The right hon. Gentleman also asked about the lessons learned by the Army. As the Chief of the Defence Staff said in the light of Lord Saville's report, the way the Army is trained, the way it works and the way it operates have all changed significantly, and we should not forget that during the 38 years of Operation Banner in Northern Ireland the majority of the military who took part in that operation, often on several tours, did so with professionalism and restraint.

In response to comments by the right hon. Gentleman and the hon. Members for South Down (Ms Ritchie) and for Foyle, I can confirm that, having considered the views expressed in this debate and the debate in the other place, my right hon. Friends the Secretaries of State for Northern Ireland and for Defence will shortly write to the Prime Minister on issues arising from the report. A copy of the letter will be placed in the Library of the House.

The right hon. Members for St Helens South and Whiston and for Torfaen (Paul Murphy), and the hon. Member for Rutherglen and Hamilton West raised the issue of dealing with the past. This Government promptly published the summary of responses to the Eames-Bradley report in July this year—if I may say so, that was perhaps in contrast to the previous Secretary of State, who now criticises us for inaction despite sitting on the responses for many months prior to the general election. I wish to put on the record my thanks to the noble and right reverend Lord Eames, to Denis Bradley and to the other members of the group.

Mr Woodward: Just for the record, I would advise the Minister to look a little more closely at the reasons why we did not publish the responses to the public consultation. We did not do so precisely because it was more sensible to await the publication of Lord Saville's report, as it would then be possible to make a sensible decision on how to proceed when one can hold the two together. If the Minister pleads for bipartisan support, he should avoid cheap political point scoring in this debate.

Mr Swire: The shadow Secretary of State is at least consistent in so much as he received the responses back in October 2009. I was perhaps trying to draw attention to the rapid progress we have made on many fronts since taking office, given that we were accused earlier in the debate of stalling on so many of these issues.

The Eames-Bradley report was a significant piece of work that has made an important contribution to the debate on dealing with the past. The responses to the report we published did, however, show the current lack of consensus on any wider process. But we have continued to listen to the views of victims and organisations from across the community to find a way forward. There is no question of the Government attempting to close down the past. We will continue to be measured and sensitive in our approach. As we continue to engage on the potential for wider mechanisms, we should also acknowledge the ongoing work to address the legacy of the past. I pay tribute in particular to the work of the Historical Enquiries Team, which has achieved very high satisfaction rates among families who have received reports. I say to the right hon. Member for St Helens South and Whiston and to the hon. Member for Carshalton and Wallington (Tom Brake) that it is not for the Government to alter the HET's remit.

The right hon. Member for St Helens South and Whiston and the right hon. Member for Torfaen, himself a distinguished former Secretary of State for Northern Ireland, raised the Finucane case. My right hon. Friend the Secretary of State will be meeting the Finucane family very shortly, and it is right that we talk to the family in the first instance, before commenting publicly.

A number of hon. Members made important points about the distinguished service of the vast majority of soldiers who served in Northern Ireland. My hon. Friends the Members for Wyre and Preston North (Mr Wallace) and for Beckenham (Bob Stewart), and my hon. Friend the Member for Keighley (Kris Hopkins), in a particularly passionate and moving speech, made their personal experiences come to life. They described the difficult and often frightening circumstances in which we asked our young soldiers—some very young—to serve, sometimes woefully underprepared, in Northern Ireland during the troubles. The hon. Member for Birmingham, Erdington (Jack Dromey), in a very good speech, was right to remind us of the tragic murders by terrorists of two Members of this House, Airey Neave and Ian Gow.

The Government are clear that Bloody Sunday is not the defining story of the Army's service in Northern Ireland. We should not forget, and we will never forget, that more than 1,000 members of the security forces lost their lives, and many thousands more were injured, in upholding democracy and the rule of law in Northern Ireland. I recently met a number of ex-servicemen and heard for myself their continuing trauma and suffering. As my right hon. Friend the Secretary of State said in his opening statement and as was reiterated by my neighbour, my hon. Friend the Member for Central Devon (Mel Stride), we owe an immense debt of gratitude to all those who served in the security forces.

My hon. Friend the Member for Wyre and Preston North and the hon. Member for Strangford (Jim Shannon) highlighted the importance of bringing closure to the families of those killed by terrorists. The HET is investigating all 3,268 cases from the troubles, including the deaths of police officers and soldiers killed by terrorists. The Government strongly support the HET's important work and the vital work of community and victims' groups in providing help and support to the victims of the troubles.

A number of hon. Members, notably my hon. Friend the Member for Tewkesbury (Mr Robertson), the distinguished Chairman of the Northern Ireland Affairs Committee, on which I once had the honour to serve, and perhaps coincidentally, other members of his Committee, were critical of the cost of the report. Of course, as we heard this afternoon, no one could have anticipated that the inquiry would take 12 years or cost more than £191 million. Our views on that are by now well known and well documented.

The Government have been clear that there will be no more open-ended and costly inquiries, but on taking office we separated our views on the process from the substance of the report's findings. It was right that my right hon. Friend the Prime Minister took responsibility, on behalf of the Government, in responding to Lord Saville's clear and shocking findings.

The hon. Member for South Down mentioned public inquiries. The Government have been clear, as I said, that there will be no more open-ended and costly inquiries. This is not an issue solely about public finances. Selecting a small number of legacy cases to be the subject of public inquiries creates an uneven process that cannot adequately address the legacy of a conflict that resulted in more than 3,500 deaths.

With reference to the report, the state must always be determined to hold itself to account. We should never judge ourselves by the same standards as terrorists. The Government are clear that we do not uphold the honour of all those who served with such bravery and professionalism in Northern Ireland by hiding from the truth or by defending the indefensible.

The hon. Member for East Londonderry (Mr Campbell) spoke about the context of the events of Bloody Sunday. I was slightly perplexed by this point. I should point out to him that Lord Saville covers the events leading up to Bloody Sunday in great detail in volume 1 of the report. I recommend reading those chapters, if right hon. and hon. Members are not tempted to read the rest, because they provide the clearest insight to the events in Northern Ireland surrounding internment and the events on Bloody Sunday. That was well précised by my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips).

The hon. Members for East Londonderry, for Strangford and for Upper Bann (David Simpson) raised the conclusions relating to Martin McGuinness. It is for Mr McGuinness to answer questions about the findings relating to him. The report is clear in its conclusions about him. It specifically finds that he was present and probably armed with a

"sub-machine gun",

but states that

"we are sure that he did not engage in any activity that provided any of the soldiers with any justification for opening fire."

The Government are clear that there was never any justification for the brutal campaigns waged by terrorists. As the right hon. Member for St Helens South and Whiston and my hon. Friend the Member for Newark (Patrick Mercer) said, there is no justification, nor can there be, for the actions of residual terrorist groups trying to drag Northern Ireland back to the past.

The hon. Members for South Down and for Strangford were among those who mentioned Ballymurphy. My right hon. Friend the Secretary of State and I met the Ballymurphy families last month. Their stories were powerful and moving, and we both expressed our sympathy for their loss. We continue to encourage the families to co-operate with the ongoing HET investigation into the case. The HET is completely independent of the Government. I understand that the families recently made representations to the Attorney-General for Northern Ireland on the re-opening of inquests.

The hon. Member for Foyle made a typically powerful, solemn and heartfelt speech in which he paid solemn tribute to those who were killed and injured on Bloody Sunday. I thank him again for his comments on my right hon. Friend the Prime Minister's statement and pay tribute to him for the support and encouragement that he has provided to the families over the years as a hard-working constituency MP.

The hon. Gentleman is absolutely correct to point out the shocking conclusions in the report. Lord Saville's report speaks for itself. In relation to the hon. Gentleman's point about the victims, let me reiterate what Lord Saville concluded. He said that

"none of the casualties was posing a threat of causing death or serious injury, or indeed was doing anything else that could on any view justify their shooting."

The hon. Gentleman raised the matter of the removal of an honour given to Lieutenant Colonel Wilford. That would be a matter for the Ministry of Defence in the first instance and ultimately for the honours forfeiture committee, but I understand that honours are not normally rescinded unless the person concerned has been sentenced to imprisonment after conviction in a criminal court or formally censured by a regulatory body.

The hon. Gentleman also raised the issue of compensation. I know that there are a range of different views among victims of the troubles about financial payments. I understand that the victims commissioners are conducting a wide examination of victims' needs and how best to address them, including the issue of compensation.

The hon. Member for Upper Bann raised the role of the Irish Government. The actions of the Irish Government are of course a matter for them, but I would draw hon. Members' attention to the Taoiseach's commitment to contribute to a reconciliation process. I welcome that commitment, as I do the very close relationship that we have with the Government in Dublin.

Mark Durkan: Will the Minister acknowledge that Irish Governments have successively, no matter what party was in government—not just the current Taoiseach but previous Taoisigh and Ministers for Foreign Affairs—provided particular support to the Bloody Sunday families? A dossier submitted by the Irish Government helped to lead to the establishment of the inquiry and the current Minister for Foreign Affairs has been particularly supportive. He is particularly in the thoughts of the families this week given the personal and family grief that he is going through, as he buried his young daughter yesterday.

Mr Swire: The hon. Gentleman is right, and our heart goes out to him. The Secretary of State and I have written to him at this ghastly time.

Let me conclude by reiterating the Government's unambiguous position on this report. What happened on Bloody Sunday was unjustified and unjustifiable. The Government are deeply sorry for what happened. The wider challenge that we all face is to ensure that the past is dealt with in a sensitive manner that allows Northern Ireland to move forward to a genuinely shared future.

I am sure the whole House will join me in acknowledging the enormous strides forward that Northern Ireland has taken. As we look back on the terrible events of 38 years ago, we must be thankful that Northern Ireland is now a very different place, but, as some right hon. and hon. Members pointed out, challenges still remain. The Government are determined to play our part in helping to ensure that the future for Northern Ireland is one which is peaceful and based on trust and confidence across the community.

I hope that Lord Saville's report has, to use a quote adopted by the families, set the truth free. In doing so, it has helped to bring to a close a painful chapter in Northern Ireland's troubled past. Let me finish by reiterating the words of my right hon. Friend the Prime Minister:

> "Northern Ireland has been transformed over the past 20 years and all of us in Westminster and Stormont must continue that work of change, coming together with all the people of Northern Ireland, to build a stable, peaceful, prosperous and shared future."—[*Official Report*, 15 June 2010; Vol. 511, c. 742.]

Question put and agreed to.

Resolved,

That this House has considered the matter of the Report of the Bloody Sunday Inquiry.

Employment Law (Businesses)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Randall.)*

6.19 pm

Julian Smith (Skipton and Ripon) (Con): I am delighted to have secured this debate on the effect on businesses of proposed changes in employment law. I am particularly delighted that it will be conducted under your chairmanship, Mr Speaker, as I still have my L-plates on: this is only my second speech to Parliament.

When I was a small business owner, dealing with employment law took more time than any other management responsibility—literally hundreds of hours. Since the election of the Labour Government in 1997, employment laws and regulations, ranging from enhanced maternity and paternity rights to the minimum wage, have been piled on to British business. For the employer, particularly for the many small to medium-sized businesses that create the majority of jobs in my constituency, that has meant major additional cost in both time and money. The intense focus on employee rights has ended up with the employer spending a huge amount of time ensuring that he is abiding by the law; it has made him wary of the consequences of even the most innocent error.

Under the previous Government the cumulative effect of employment law was to change the playing field fundamentally, leaving employers feeling defensive rather than confident about hiring people and managing their staff. I remember, a few years ago, having a quiet chat with a young member of my staff who had been playing on the internet for days on end. The following day, I had a call from her mother saying that if I did not follow correct disciplinary procedures the family barrister would be in touch. The quiet chat and the informal word of warning became formalised under Labour. Employment became a transaction.

Even John Hutton, the former Business Secretary, admitted that things had gone too far. In 2008, he said:

> "Exercising the right to work ultimately depends on getting the right balance in employment law. Having a multiplicity of employment rights won't amount to a great deal if you can't get a job in the first place."

Gavin Williamson (South Staffordshire) (Con): Having employed people in the past, I know that there is often a real fear of taking on new staff because if one does not get it right first time, the consequences of trying to get rid of a member of staff can be costly to the business. Does my hon. Friend agree that this puts lots of small and medium-sized businesses off expanding?

Julian Smith: My hon. Friend is absolutely right. A close friend of mine is starting a new business and she told me the other day that her business adviser suggested she should hire people on short-term contracts to avoid the pitfalls of having permanent staff. At the key moment when we need hundreds of thousands of new jobs, the advice to a budding entrepreneur is to avoid permanent staff if they can.

According to the World Bank's "Doing Business" report, employing workers in the UK has become harder every year since 2007. The report shows that UK labour market flexibility has slipped down the international

league table from 17th in 2007 to 35th in 2010. The UK is now behind many European countries, including Switzerland and Denmark, as well as Australia, Canada, the United States and others, on labour market flexibility.

Even those figures do not take into account the effect on small businesses of the sheer worry about these burdens or of the realities of a world in which Britain will be under increasing pressure to compete for internationally mobile business jobs. Small business owners worry about this stuff. That is why they are good at what they do—because they are worriers. By putting so many worries and concerns around the key assets of their business—staff and people—Governments have forced them to spend less time on their businesses. Tom Bannister, who runs the Coniston hotel near Skipton, does not have an HR department, so each employment change that comes from this House takes him away from running his hotel and outdoor centre. We need hard-pressed owner-managers such as Tom to be lying in bed at night worrying about things like the spa development he is currently considering rather than whether they have dealt adequately with the "protected characteristics" of their employees as determined by the Equalities Act 2010.

Julian Sturdy (York Outer) (Con): Like my hon. Friend, I have a number of businesses in my constituency who have contacted me with similar concerns. They want to grow their businesses and create jobs, which is surely what we want in these difficult times, but if we continue to tie businesses down with red tape and bureaucracy, we will prevent that. It is important to get away from that approach.

Julian Smith: I thank my hon. Friend for those comments. It is not just small companies that are affected: the cumulative effect of the measures is also significant for bigger businesses. Before I came to the House I was a head-hunter who worked with some of the biggest companies in the world. I saw how easy it was to put a senior employee in an international location rather than in the UK. I have a long list of examples whereby, when it came to choosing between London, New York or Asia, London came last. The cost of managing and getting rid of staff often tipped the balance in favour of another location. That just happens without fanfare or fuss, and that is why, like our tax and immigration policies, our employment policy must be ruthlessly competitive. The competition that the UK faces is becoming intense. Over the next few years we desperately need people to take the risk, set up businesses, invest in existing ones and create jobs here in Britain.

Labour increased its depressing legacy of employment law in its dying days, with measures on agency workers, the Equalities Act 2010 and additional paternity leave. Each measure will have a major effect on British business. For example, the new dual discrimination laws, with limitless liability, mean that employers will have to focus even more on protecting themselves, and, with discrimination law changing so often and widening to include more and more employees, is it any wonder that entrepreneurs fear taking on their first member of staff?

Nigel Adams (Selby and Ainsty) (Con): I concur entirely with what has been said. Like many others now in the Chamber, I ran a small business for a number of years, but employment legislation is not the only thing holding back small businesses. In North Yorkshire, as my hon. Friend will be aware, the county council has stopped traders placing advertising boards outside their premises. We have just been through—

Madam Deputy Speaker (Dawn Primarolo): Order. This is an Adjournment debate about employment law, so if the hon. Gentleman intervenes again perhaps he will keep to the point.

Julian Smith: I agree with my hon. Friend. That is all part of the same burden.

The second piece of legislation that we are going to acquire from Labour is the measure on additional paternity leave. The time spent learning about and then administering the process of additional paternity leave will have a huge impact. From early next year, rather than focusing on job creation, business will be administering how best to let dads go off. Business was not even consulted properly. In a recent written answer, the Government admitted that only 111 companies—111 throughout Britain—had been involved in the consultation on that policy. Why did Labour create those laws with such little consideration for the risk-takers whom they affect?

With all that legislation rolling over from the previous Government, we surely need a pause—a break—in employment law. The coalition is doing many positive things to create the conditions for growth, such as scrapping Labour's jobs tax, introducing the national insurance holiday for businesses in Yorkshire and outside the south-east, and cutting corporation tax, but at a time when we need to let business focus on growth, the coalition is pushing forward with more legislation on employment law.

First, there is the removal of the default retirement age, with no offsetting measures to assist companies in managing out their staff.

Anne Marie Morris (Newton Abbot) (Con): My hon. Friend is absolutely right that the default retirement age removal is causing problems. In my constituency, many businesses, including Centrax, a very large employer, have come to me and said, "The challenge is that it will be harder to negotiate different packages for older workers." The budget for recruiting new young people will inevitably shrink, too, and businesses will incur legal costs when they have to justify a default retirement age for a particular job.

Julian Smith: My hon. Friend makes a very important point, and I have heard of similar examples. I spoke to the representatives of a local business last week, and they were frustrated because their poorly performing older manager, whom they assumed would retire next year, is digging in—potentially for life—following the announcement of this law.

Then there is the commitment to flexible working rights for all employees, and the sharing of parental leave for mothers and fathers. Consultation on those measures is about to start.

Finally, the Government are considering whether to include small and medium-sized businesses in Labour's right-to-request-training laws, or repeal the law altogether. That law will create the crazy situation in which, even though most companies cover training in their employee

[Julian Smith]

appraisals, employees will have the right to disregard the appraisal discussion and ask for a separate discussion on training. At a time when British businesses are being encouraged to create more jobs than ever, they will have to deal with the hefty employment legislation of the previous Government and several chunky pieces of legislation from the coalition, taking up the valuable time that they could be spending on creating more jobs and more wealth.

I have asked for this debate to urge the Minister to look again at these issues in light of the Government's forthcoming growth White Paper and the urgent need that we have for jobs in our country today. I am keen to receive from the Minister answers to a number of fairly detailed questions. First, what steps are the Government taking on their pledge in the coalition agreement to review employment and workplace laws for employers and employees? The decisions so far seem to have been employee-led. Secondly, why was the decision made to introduce additional paternity leave provided by the previous Government given that the coalition plans to consult and then introduce its own shared parental leave in this Parliament? Thirdly, when will the Minister confirm whether small and medium-sized enterprises are going to be exempted permanently from Labour's right-to-request-training legislation, and is he considering full repeal? Fourthly, why was the decision made to introduce flexible working for parents of children up to age 17 given that the Government are planning to offer flexible working to all employees during this Parliament?

Fifthly, I understand that the Institute of Directors has presented a case to the Minister saying that 90 to 95% of private sector companies would be exempted from the scope of the agency workers directive if the Government followed advice provided to the IOD by a senior member of the European Commission. Why have not the Government taken this dispensation? Will the Minister publish any advice that he has received that contradicts that received by the IOD? As Britain will now no longer have a default retirement age, unlike many other European countries, what steps is the Minister taking to ensure that this does not result in a less competitive employment environment in Britain, and what offsetting measures is he considering to develop other mechanisms by which companies can manage out staff?

I apologise to the Minister for such a long list of questions, but I passionately believe that we need to address these issues. With limited fiscal levers to attract business in the UK, we can use competitive employment law to attract the growth that we need. I urge the Minister to lead the charge in playing his role in the Government's growth White Paper. He should commit today to a holiday from new employment law in 2011, pausing his plans for the sake of jobs. I also urge him to give British business light at the end of the tunnel by strengthening the Government's commitment to a thorough review of employment legislation and engaging all parts of business, and lots of businesses, in that review—they will be happy to help. We should consult companies of all shapes and sizes from all parts of the country. I am particularly able to supply some frank Yorkshire business people to engage in that process.

During the review, we need to ask some tough questions. For small businesses, what have been the cumulative effects of all these employment laws? How do we make it easier for small businesses to hire and to fire? How do we ensure that the "doers and grafters" of whom the Prime Minister spoke in his conference speech are freed up to take on staff? For larger companies, what is the impact of our employment regime on their costs? How do we ensure that we are truly competitive with other locations for global business? How negative are the effects of our employment law regime on attracting foreign investment?

A holiday from new employment law in 2011 should take pride of place in the Government's growth White Paper. I would be grateful for the Minister's support in my campaign to make this happen. Along with the other positive enterprise proposals from the coalition, grasping the employment law nettle will be a big boost for growth.

6.33 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I congratulate the hon. Member for Skipton and Ripon (Julian Smith) on securing this debate, which is very timely in the light of the ongoing debate on growth strategy. It gives me an opportunity to reassure him that since taking office as a Minister, I have spent quite a large amount of time on beginning the employment law review. I think he will understand that I am not able to give the details of that review until we publish the consultation document, which I expect to happen early in the new year. Obviously, we have to discuss this with colleagues around Government. When we do publish it, he will see that it is the first stage in reviewing employment law, but that we are tackling one of the key concerns of employers, particularly in small and medium-sized enterprises, in a balanced and pro-growth way.

I assure the hon. Gentleman that this Government have an absolute commitment to creating the best possible business environment, so that the UK economy can recover and grow and the private sector can prosper in the long term. We have made it very clear that private sector jobs are where we see the big growth happening as we tackle the budget deficit.

Gavin Williamson: Does my hon. Friend agree with the words of Lord Young this week? He said that fewer employment regulations would always stimulate more employment.

Mr Davey: I had the pleasure of meeting Lord Young in my office earlier this week to begin our work together. I said many things to him, but I did not say that when I was studying economics at night school at Birkbeck, I had the pleasure of studying under Professor Snower, who, as I am sure the hon. Gentleman is aware, developed the theory of insider-outsider analysis. That states that when we are thinking about employment creation, we should always remember the outsiders—the people who are unemployed. One of the great things about taking a more robust approach to employment law is that it will help job creation. That is good for businesses, of course, but it is also good for the unemployed. Those who are elected to this House to represent the unemployed must remember that ensuring that they have work is an important part of what this Government are about.

A flexible labour market that strikes the right balance between the rights of individuals and the needs of business is an essential part of our economic framework. The hon. Member for Skipton and Ripon rightly said that things have slipped in recent years, but we still compare favourably with our international competitors. However, more can be done, particularly given what has happened in recent years.

I am aware that many business people are wondering about possible changes to employment legislation. I offer them this reassurance: the coalition understands how tough it has been for them over the past two years, as companies of all sizes have had to fight their way from the deepest recession in 60 years. We will not do anything that makes that continuing task more difficult. We are certainly not in the business of weighing companies down with more regulation and higher costs.

Achieving lasting economic growth is a core priority in the years ahead, and that can come only from the private sector, so we want to make this country one of the best places in the world to start and expand a business. That means dismantling the barriers to growth and improving the regulatory and legal frameworks for business, including employment law.

Good workplace relations improve productivity and help businesses run more efficiently, which enables them to stay competitive and boosts long-term resilience. I am sure that as the hon. Gentleman runs a small business, he is very much aware of that. In our review of employment law, we are trying to see how we can offer maximum flexibility for employers and employees in a competitive business environment. We want to ensure that we have the balance right, so that employment laws do not inhibit businesses from growing.

As part of that review, we are reflecting on what business groups have said to us about the cost and complexity of employment legislation, including on resolving workplace disputes and the employment tribunal system. Where we can make legislation easier to understand, improve efficiency and reduce unnecessary burdens, we will. I am very keen to meet some businesses from the hon. Gentleman's constituency in due course. I have met a number of business representative organisations, which have given me an awful lot of ideas to mull over, and I assure him that we have been listening to them.

Getting people back into work and helping them stay there is at the heart of our plans for Britain's economic renewal. That is why we are committed to creating a more flexible employment system that allows people to balance their work and family commitments. Millions of people have responsibilities outside work, whether raising a family, caring for an elderly or sick partner or serving their community. If we help people manage their lives and stay in employment, we can avoid losing the skills, talents and energy of millions of people from the UK economy. There is good evidence from companies already operating flexible working patterns that they deliver real benefits to the bottom line. Those benefits include increased productivity because staff are focused on the job; lower turnover because workers feel valued by their employers; and reduced absenteeism because people can reorganise their day when the unexpected happens.

The coalition agreement raises the possibility of extending to all employees the right to request flexible working. I have been talking about the coalition agreement to employers and their representative organisations. The hon. Gentleman asked why we had extended the practice to include parents with children up to the age of 18 before the wider review, on which we shall consult, and the wider implementation of the coalition policy. When we considered the matter, we found that the cost to business was nil. In fact, it made things simpler.

The way in which the previous Government introduced the right to request flexible working, with different rules for different employees, confused business. So, simplifying the system was just a small step. When we talked to businesses, they seemed to understand and appreciate that. Clearly, one reason why many business organisations are ready to engage in the debate about extending to all employees the right to request flexible working is that it would simplify the system. We want to do that in a way that responds to practical experience of that right to request.

During the recession, it was interesting to see—this also came out in some recent CBI evidence—that there was a greater acceptance of flexible working by employees. A number of firms found that their employees were more willing to take pay cuts and operate on reduced hours and so stay in work, thus keeping the business afloat. We saw a much better engagement at the work place. That is why a number of employers and their organisations are saying that flexible working is one of the better things that came out of the previous Government.

Craig Whittaker (Calder Valley) (Con): Does the Minister not agree that while the right to request flexible working is great for business, what inhibits them from implementing such things is the huge cost, the red tape and the bureaucracy that have been created around employment law? When I met two business men from my constituency today, I was alarmed to hear how a large corporate company—not a small and medium-sized enterprise or a sole trader—had instructed its managers to manage out people from the bottom of the business, because they were inflexible at times when they needed their work force to be flexible. Is the Minister aware of the practices that are starting to occur because of the huge cost of bureaucracy and burden on business?

Mr Davey: One of the objectives of the employment law review—I hope that the hon. Gentleman will see this when we publish it—is to try to begin to turn that tide. I hope, as I continue with my remarks, that the hon. Gentleman will begin to see that sense of direction.

In the coalition agreement, we have tried to ensure that we can assist families and employers to get the right balance between work and home. Quite rightly, child care is no longer seen as just the mother's responsibility. Fathers are playing an increasingly significant role in caring for their children, with more than 90% of fathers taking time off around the births. The hon. Gentleman will know how important that is for families and for the development of children. The Prime Minister is particularly keen to encourage such a practice.

We are planning to introduce a new system of flexible parental leave. The current system of 52 weeks' maternity leave and two weeks' paternity leave is completely unbalanced and does not meet the needs of modern families. Additional paternity leave goes some way to providing parents with greater room for manoeuvre over how they balance their working and caring

[Mr Davey]

responsibilities, but it still constrains parents' choices and reduces employers' flexibility. We believe that our proposals will be more welcome to employers because of the increased flexibility that they provide.

The hon. Member for Skipton and Ripon asked why we were introducing the additional paternity leave now, when we plan to introduce shared parental leave later. That is a fair question, which I considered carefully. However, when we examined the matter, we noted that the regulatory regime was not quite as burdensome as he implied in his speech. Employers do not have to implement the system unless and until someone applies for additional paternity leave. The regulatory impact assessment that accompanies the measure suggests that that would affect under 1% of employers a year. Although that might be a burden on those employers, the way in which we propose to introduce the measure means that it will be relatively light, even for the small number of employers who have to use additional paternity leave before the shared parental system that we plan to bring in is introduced.

Another reason that weighed heavily on my decision to proceed with the measure is that its passage through the House and removing the regulation would entail some cost to businesses. However, more important, it will provide some serious lessons from employers who have to administer additional paternity leave, enabling us to get shared parental leave right. It is a sort of pilot, and without it, we would lose the lessons from it, creating a danger that, when we implemented shared parental leave, we would not do it in an optimal way. I therefore hope that the hon. Gentleman understands that, although it was a difficult decision, it made sense for employers, and that is why we went ahead.

Julian Smith: I thank the Minister for his detailed response. Does that mean that he might buy my idea of a holiday in 2011 so that the pilot can happen and the new law is not introduced during a crucial period for British business?

Mr Davey: I can confirm that I want a holiday next year, but although I have some sympathy for the hon. Gentleman's suggestion of a holiday for employment law, it would be impossible. Under EU legal obligations, we must implement some employment law next year. For example, the agency workers regulations come into force in October 2011. We would contravene our obligations under EU law if we did not implement them. Of course, additional paternity leave also comes into effect.

Although we are committed to ensuring that we review employment laws and take businesses' considerations into account, as the hon. Gentleman said in his speech, some items are legacies from the previous Government. We had to think carefully about them, but our judgment was that we could not not introduce them.

The hon. Gentleman mentioned the claim by the Institute of Directors that we are gold-plating the agency workers directive. I met representatives of the Institute of Directors and discussed the matter in detail. I asked for the reason why they thought that and for their legal advice. We fundamentally disagree with the organisation on the matter. I assure the hon. Gentleman that we have no intention of gold-plating the agency workers regulations. We inherited them. He knows that the directive finds its legal basis in the social partner agreement between the CBI and the TUC. He also knows that that agreement, to which the CBI signed up on behalf of British business, introduced a 12-week exemption. When I discussed with businesses how we could look at implementing the agency workers regulations, I asked whether, if the social partners did not like what we were doing, they would be prepared to risk losing the 12-week exemption. Businesses made it absolutely clear that the 12-week exemption was critical to them above anything else. We therefore decided that, to ensure that we did not lose the exemption that the CBI had won, we had to proceed to implement the agency workers regulations.

I had hoped, in discussions with the CBI and the TUC, that we could reach an agreement on ameliorating some of those regulations in a way that would benefit workers and employees as well as employers. I tried very hard to achieve that, but I was unfortunately unable to do so. However, I can reassure my hon. Friend that we worked very hard. If he reads my ministerial statement on the issue carefully, he will get the flavour of the frustration that I felt in being unable to go further, but as he said, we inherited that measure. We tried our best to ensure that it is not as damaging as it could otherwise be. We will now engage with employers and trade unions on the guidance for the implementation of the regulations, which is an important step.

Gavin Williamson: In a former life as a potter, I remember talking to my German colleagues who were porcelain manufacturers. They said that their Government, who were very enthusiastic to introduce regulations, would always sit down with them and talk about how they would minimise the effect of European regulations.

I should like to point out what a disgrace it is that Opposition Members care so little about creating jobs. We are dealing with their legacies. I urge the Minister to do all he can to resist the urge of the European Union to stifle our creativity in business.

Mr Davey: My hon. Friend is very prescient, because I was about to talk about the European dimension of employment law. As hon. Members know, that is the genesis of a lot of employment law in Britain. In particular, I wanted to focus on a short-term issue with which I am dealing. The hon. Member for Skipton and Ripon did not mention it, but it speaks very much to the thrust of his remarks.

What problems would British business and Britain face if the amendments to the pregnant workers directive passed in the European Parliament on 20 October were implemented? British MEPs from all parties voted against the amendments, but unfortunately and slightly unexpectedly, there was a small majority in favour of them. The amendments would impose considerable additional costs on many member states when their economies can least afford them. For the UK, the bill would be at least £2.4 billion a year, doubling current spending in that area. That is simply unacceptable. The European requirement for full pay during maternity leave that results from the European Parliament amendment is a red line for the Government. We will now work hard in the Council and with member states that share our views to oppose the Parliament's proposal. That may not give the hon. Gentleman the holiday he wants, but it will hopefully give him some reassurance that we will work hard to stop the system getting worse.

I should stress that the Government are committed to playing a strong and positive role with our European partners, so that we are equipped to deal with the challenges and opportunities thrown up by an increasingly open and competitive global economy, but the EU must adapt to those challenges and opportunities. The priority needs to be growth and global competitiveness, not introducing more employment regulation. In future, UK Ministers will get involved earlier and more strategically in EU policy development, and we will push to embed smart regulation within the policies of the European Commission, Parliament and Council.

By that, I mean that we want to ensure that proper impact assessments are made of new proposals for regulations by the Council, the Commission and the Parliament. No such assessments are made by the Council at the moment, despite an inter-institutional agreement in 2004; the Parliament's impact assessment are poor, to say the least; and the Commission's are only just improving. I am determined that we push hard on that, because the decision to try to stop over-burdensome regulation has already been taken by the EU but not implemented.

We will make it a priority to challenge restrictive practices and strive to ensure that the employment law framework is flexible, proportionate and based on the principle of subsidiarity. As I said, the framework needs to take into account the whole labour market—not only those who already have jobs, but people who are trying to get back into work. To do that effectively, it is important that we move beyond stale debates on issues such as the working time directive and the opt-out, and instead recognise, and respond to, the changing nature of work and the structural economic problems that exist across Europe. The Government will defend our opt-out, because we believe that it is an essential protection for many employers and employees throughout the country. However, the agenda of the working time directive is an agenda from the past, and we need to get real about the challenges facing Europe's economy. Against the backdrop of the problems facing Europe's economy, it is neither fair nor sensible to force people to work less than they would choose if the decision were left up to them. It is time that we all recognised that fact across Europe.

The EU has talked the language of better regulation for a few years now, but it has not been translated into action. We have to ensure that EU institutions put this into practice, take impact assessments more seriously and consider other smart regulatory options, including effective screening of proposals for their impact on businesses to ensure that their growth is not stunted. Our job is to help companies start up and grow, by working with our partners in Europe and creating the right business conditions here at home.

On the issue of the default retirement age, which the hon. Gentleman raised—and which was raised with him in an intervention—it was a coalition agreement, entered into willingly and enthusiastically by both sides. We are now consulting on it and I urge him and businesses that are concerned about the abolition of the default retirement age, to respond to that consultation. We will listen, but when the Chancellor made his Budget statement earlier this year he said that we would go ahead with abolition. When we implement that, we want to ensure that we do so in a way that businesses find easy to manage, given the need to performance-manage employees. I sometimes get a little frustrated when businesses say that they use the default retirement age to get rid of people who, in their opinion, are not very good. That is not good management of staff and they should performance-manage more effectively. Many employers have campaigned for the abolition of the default retirement age, and no longer have one in their policy, because they believe in better performance-management of their staff. That is better for their businesses, because staff are more productive as a result. I will probably have to disagree with the hon. Gentleman on the default retirement age and pray in aid the Chancellor in support of my case.

A carefully calibrated framework of employment law, which balances the needs of employers with the rights of individuals, is an important part of the picture. As we work on the detail of our proposals in the months ahead, we will come up with a blueprint that gets that balance right. We are not about to make life more difficult for companies, especially small firms, still feeling the aftershocks of the worst recession in 60 years, so we will not tie them up in red tape or weigh them down with new regulations.

I recognise that we still have a way to go before we achieve our ambition of making Britain one of the best places in the world to start and grow a business, but we will get there, and we will do it by working in partnership with employers—getting our economy growing again to create jobs and secure prosperity in the years ahead.

Question put and agreed to.

6.58 pm

House adjourned.

House of Commons

Thursday 4 November 2010

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Natural England

1. **Julian Smith** (Skipton and Ripon) (Con): What steps she is taking to reform Natural England; and if she will make a statement. [21640]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): First, I welcome the hon. Member for Wakefield (Mary Creagh) and her new team to the Front Bench. I enjoyed cordial relations with her predecessors in the short time we were opposite each other and I hope that cordiality will continue.

The Department for Environment, Food and Rural Affairs has been working closely with Natural England on substantial reforms to transform it into a leaner, more efficient front-line delivery body that is focused strongly on the Government's ambitions for the environment.

Julian Smith: I thank the Secretary of State for that response. Will she give a little more detail regarding the impact of the comprehensive spending review on the two stewardship schemes that are run by Natural England and how she sees that impact progressing in coming years?

Mrs Spelman: I am delighted to tell my hon. Friend that as a result of the comprehensive spending review, both types of stewardship scheme will be maintained. There will be new entrants to both the entry-level and the higher-level stewardship schemes. We have ambitions to increase by about 80% the number of farmers in the higher-level stewardship scheme and to increase qualitatively the environmental benefits provided under the entry-level scheme.

Sir Peter Soulsby (Leicester South) (Lab): Natural England is the nation's principle conservation agency and our champion of biodiversity. In the name of reform, the Government are leaving it with no choice but to hand over 140 national nature reserves to anyone who will take them on, to put our network of national trails up for grabs and to cut back on the expert support that is vital to delivering the environmental stewardship schemes. We are talking about the nation's front line in protecting our environment. The Government claim to be the greenest ever, but is not the reality that the Secretary of State is prepared to sacrifice Natural England and our precious environment in a bid to win friends and credit at the Treasury?

Mrs Spelman: I should like to countermand those suggestions. Natural England, in common with all the arm's-length bodies in the DEFRA delivery network, is taking a pro rata reduction. It is required to make efficiency savings in the same way as the core Department has to. None the less, there will be no changes in Natural England's statutory functions. It will cease to undertake some activities, such as lobbying and policy making, which should rightly be the domain of the Department at the centre. Consideration is being given to options for improving the management of our national nature reserves because that is consistent with a big society approach.

Biodiversity

2. **Annette Brooke** (Mid Dorset and North Poole) (LD): What plans her Department has to maintain levels of biodiversity. [21641]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): Tackling biodiversity loss is one of my Department's top priorities. I have just returned from international negotiations in Nagoya where the UK played a pivotal role in securing agreement on the ambitious new framework to halt biodiversity loss. The challenge now is to implement this domestically. In the spring, I intend to publish a White Paper outlining the Government's vision for the natural environment, backed up with practical action to deliver that ambition.

Annette Brooke: I thank the Secretary of State for her answer. Given the Government's intention to sell off a substantial part of the forest estate, what measures will be in place to ensure the biodiversity potential of this land and to ensure that the commitments in the Forestry Commission's forest design plans will be fully implemented?

Mrs Spelman: I can give the hon. Lady clear assurances on this point, but we need to start with a little myth-busting on the back of press speculation. Only 18% of forests and woodland in England are owned by the state and it is wrong to confuse ownership with any suggestion of a reduction in biodiversity. It is quite right, and in the spirit of the coalition agreement, to consider giving the community who live nearest to the forest the opportunity to own it, as that community and civil society are most likely to give it the best protection. Finally, I should like to reassure her by clarifying that not one tree can be felled without a licence being issued by my Department. In the last analysis, we are committed to forest biodiversity and to enhancing biodiversity. Our forests are among the richest of our genetic resources and we have every intention of protecting them.

Mr Speaker: We need to be pithier from now on. That should be pretty clear.

Mary Creagh (Wakefield) (Lab): May I begin by thanking the Secretary of State for welcoming me to my new role and for the briefing that she gave me on Nagoya? I am sure that the whole House will join me in

welcoming the new fund that the Government have pledged in order to deliver international biodiversity benefits through international forestry.

On Government plans to maintain biodiversity at home, however, we have seen a series of deeply worrying moves from the right hon. Lady over the past three months. The Government plan to sell off or simply give away 140 national nature reserves; our national parks, which a Labour Government began in 1949, will suffer a catastrophic 30% cut to their budgets, leaving park workers unemployed, our national trails abandoned and precious habitats neglected; and her Department has announced a review of England's forests, seeing them sold to the highest bidder—asset stripping our natural heritage. Is it not the case that she preaches environmental evangelism around the world and practices environmental vandalism at home?

Mrs Spelman: That is a disappointing opener from the hon. Lady. She appears not to understand that her own party when in government would have had to make cuts, and there will be no credibility to her accusations unless she tells the House where she would have made savings. In any event, however, there is no suggestion that we are poised to sell off nature reserves. Can she not see that it is not necessarily for the state to do everything? The Wildlife Trusts welcome the opportunity to be more involved in the management of our nature reserves.

Mary Creagh *indicated dissent.*

Mrs Spelman: The hon. Lady shakes her head, but I suggest that she ask them. As for selling off the forests, she just heard my explanation that it is wrong to confuse ownership with the quality of environmental protection, and I believe that the communities and charities that would like to be more involved in protecting and enhancing our forest biodiversity welcome our suggestions.

Mary Creagh: The truth is that the Government have reserved their most vicious spending cut for a 30% cut in environmental spending. We know that in the spending review, the right hon. Lady caved in early to the Chancellor's pressure, and that she gave away too much too quickly. Why did she sell out the country's environment to the Chancellor?

Mrs Spelman: The hon. Lady has to answer the question about where she would have made the cuts.

Mary Creagh *indicated dissent.*

Mrs Spelman: The hon. Lady shakes her head, but her Government were committed to a 50% reduction in capital. Perhaps she would like to identify in the Department's budget what she would have done. What I can tell the House is that, going into those negotiations with the Treasury, we took a strategic approach, because it was important for us to protect as much of the capital as possible. Her party, had it been in government, would have cut the capital budget by 50%, but we succeeded in reducing that to a 34% reduction, meaning that the bulk of our flood defence capital has been protected.

Forestry Commission

3. **Kerry McCarthy** (Bristol East) (Lab): What recent estimate she has made of the monetary value of the land managed by the Forestry Commission. [21643]

10. **Caroline Lucas** (Brighton, Pavilion) (Green): What plans she has to sell or lease part of the Forestry Commission estate. [21652]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): There is an ongoing programme of sales run by the Forestry Commission, year on year, to achieve operational efficiency. In the 2009-10 accounts, the public forest estate in England was valued at £700 million. That is the net book value; it does not necessarily reflect the true market value. I intend to consult on proposals for new ownership options for the public forest estate in England, and on how to secure the important public benefits that they provide.

Kerry McCarthy: I think that for once, given the answers that we have heard today, *The Daily Telegraph* might be right, because it says that the Government cannot see the forest for the fees. However, can the Minister give a categorical assurance that, contrary to other press reports, if Government-owned forest is sold off, it will not be sold off to developers to be turned into things such as Center Parcs and golf courses?

Mr Paice: I am delighted to have the opportunity to debunk that absurd notion. As my right hon. Friend the Secretary of State has said, before trees can be felled, one requires a felling licence from the Forestry Commission. The Forestry Commission will continue to have that role, even through those disposals, if that is what happens; and, of course, planning consent would be required to undertake any of those things, such as golf courses or Center Parcs. We have no intention of seeing our forest damaged; we want to maintain the public benefits that we already have.

Caroline Lucas: Will the Minister make a commitment that all land transferred from the Forestry Commission's control will be covered by legally binding commitments on new owners to maintain current policies for environmentally and socially beneficial use, especially those on the restoration of planted ancient woodland and on public access? Can he also put on the record what will happen to the funds raised from the proposed new programme to sell off those woodlands?

Mr Paice: There would be no point in having a consultation if I were to announce the results of it now, so I am not going to do so. However, I can tell the hon. Lady, as my right hon. Friend has said and I have just said, that we have absolutely no intention of allowing any public benefit of our woodland, be it access, biodiversity or carbon storage, to be damaged by whatever action we take on public ownership.

Miss Anne McIntosh (Thirsk and Malton) (Con): Is the Minister aware of the Forestry Commission's involvement in a pilot flood protection project to protect Pickering from future floods by planting a great number of trees to soak up the excess water and prevent it from

entering Pickering? Will he give me an assurance today that that project will not be at risk from any future cutbacks and that the Government will continue with their tree planting programme?

Mr Paice: It is worth making the point to my hon. Friend that under the previous Government the amount of trees and new woodland planted in this country fell dramatically. The Opposition, as they now are, need to account for that. My hon. Friend is absolutely right; trees have a vital role in flood prevention and alleviation, and although I do not know the detail of the scheme to which she refers, I have no doubt that it will continue in some guise.

Roger Williams (Brecon and Radnorshire) (LD): ConFor, the Confederation of Forest Industries, represents sawmills and other processing businesses, and it values the supply of timber that it receives from the Forestry Commission estate because of its quality and consistency. As he considers the sale of some of that estate, will the Minister consult ConFor and the timber industries to ensure that their interests are taken into consideration?

Mr Paice: I am grateful to my hon. Friend. I assure him that I have already had consultations and discussions with ConFor. I have discussed various options with its representatives, who, obviously, will submit a response to the consultation when we launch it. My hon. Friend is absolutely right that a number of the timber trade businesses rely on a constant supply of timber from the Forestry Commission, and I am very much aware that that factor will have to be taken into account to ensure that our important timber industry gets continuity of supply.

Mr William Bain (Glasgow North East) (Lab): I thank the Minister for his letter of last week about the future of Forestry Commission land, even if it is regrettable that it has not been accompanied by a full statement to the House.

The Royal Society for the Protection of Birds and the Woodland Trust have said that the sale price for that ancient forest land does not match its environmental or social value and that they lack the resources to purchase the land. Why has the Minister failed to give the House any assurance that the money raised from this fire sale of English woodland will be reinvested in environmental protection or green jobs, rather than simply ending up in the Treasury's coffers? Is not the reality that big business, not the big society, will benefit from this land grab?

Mr Paice: I welcome the hon. Gentleman to his new position—and long may he hold it, if that is the best that he can do. I had hoped that we could have a rational debate about the future of our forests. Much of what the hon. Gentleman said is absolute nonsense. As I have repeatedly said, we are determined to protect our forests and increase the rate of new planting in this country, beyond the failure of his Government, whom he supported. That is what has to be done. Working towards new ownership does not in any way countermand the important value of our British forests, which we intend to maintain.

Farming Industry

4. **Simon Hart** (Carmarthen West and South Pembrokeshire) (Con): What steps her Department is taking to assist the farming industry to become more competitive. [21644]

13. **Anne Marie Morris** (Newton Abbot) (Con): What steps her Department is taking to assist the farming industry to become more competitive. [21656]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The Government are determined to help our farming industry play its full role in the food supply chain by clawing back markets lost to imports and by increasing exports. We are therefore changing the whole culture of regulation to one of trust rather than one of threat. We provide investment assistance under the rural development programme and we are working with the industry on knowledge transfer, skills development and sustainability issues.

Simon Hart: I thank the Minister for his answer. Will he reassure members of the Farmers Union of Wales, whom I met earlier this week, that he is making progress on the creation of a supermarket ombudsman?

Mr Paice: As my hon. Friend knows, the legislative aspects of that issue relate to the Department for Business, Innovation and Skills, but I assure him that I am in close contact with my colleagues. We are determined to press ahead with the supermarket adjudicator, as recommended by the Competition Commission a year or so ago.

Anne Marie Morris: Animal disease is costly to the Government and farmers, both financially and emotionally. In 2009-10, the Government spent £330 million on animal health and welfare, and the foot and mouth outbreak in 2001, which devastated the local farming economy in Devon, is believed to have cost the UK £8 billion. I recently had a meeting with farmers in Newton Abbot, and they are very concerned that the Government will not listen to them about shaping plans, going forward, for cost and risk sharing—

Mr Speaker: Order. I know that the hon. Lady is a new Member and I appreciate her commitment to the House, but far too many questions are prefaced with substantial descriptive statements. That must not happen. I ask her for a quick sentence, and then we will move on.

Anne Marie Morris: Will the Minister meet me and some of my local farmers to discuss their ideas on how to reduce cost and risk sharing?

Mr Paice: Yes, I will happily meet my hon. Friend. If you will allow me one more sentence, Mr Speaker, under the cost and responsibility discussions I am absolutely determined, and I will reassure my hon. Friend's farmers on this, that they will have a major role in formulating disease control policy.

Joan Walley (Stoke-on-Trent North) (Lab): May I ask the Minister how the Government will use their new buying standards for food in the public sector to support British farmers in the 88% of public sector food purchases

not covered by the new Government standards? My private Member's Bill next week is the ideal opportunity for a detailed debate in Committee where we can discuss how we can support farmers.

Mr Paice: I can tell the hon. Lady that I am certainly looking forward to next week's debate on her private Member's Bill and I congratulate her on introducing it to enable us to have that debate. We will consult on the Government's buying standards in the next few weeks and we will be launching them early next year. They will apply compulsorily to central Government—we have determined that we should drive these standards forward—and they will include the need to ensure that food procured by the Government is produced to the standards that we expect of our own farmers. That is the best way to ensure fair competition in public procurement.

Susan Elan Jones (Clwyd South) (Lab): Does the Minister accept, in the interests of what he has said about competitiveness, that the decision to abolish the national Agricultural Wages Board will not contribute to competitiveness but will simply reduce the living standards and wages of our agricultural workers?

Mr Paice: I am afraid that I do not agree with the hon. Lady. That legislation has been in place for 60 years and industrial relations and wages negotiations have changed dramatically over those years. It is worth pointing out that the previous Government, in office for 13 years, did not bring back any of the other wages boards that we had abolished. The present wages board does not allow salaries, it does not allow proper piecework rates and it does not allow annualised rates. Those are all measures that modern labour relations require. That is why it needs to go and all workers will be protected by the national minimum wage regulations, which apply to every other worker in this country.

Under-10-metre Fishing Fleet

5. **Laura Sandys** (South Thanet) (Con): For what reasons her Department has instructed the under-10-metre fishing fleet to maintain log books. [21645]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The Marine Management Organisation has introduced a requirement for masters of under-10-metre fishing vessels fishing in, or transiting, either International Council for the Exploration of the Sea areas IVc and VIId, or ICES areas VIId and VIIe in the same fishing trip, to complete and submit an EU logbook. The new requirement has been introduced to provide greater assurance over the accuracy of catch information for fish stocks in those areas, following concerns expressed about potential misdeclaration of catch areas.

Laura Sandys: As a great supporter of the under-10-metre fishing fleet, I hope that the Minister will point out to the MMO that this is a highly bureaucratic, quite impractical approach for some of the smaller boats. Will he urge the MMO to consider working much more closely with the local patrol fleets, which know these local fisheries much better than anybody else?

Richard Benyon: I understand my hon. Friend's point. I know her local fishing community and how much she stands up for them. I am happy to meet them and discuss this. As we go forward with our negotiations with the Commission on catch quotas for next year, we have to do so on the basis of knowledge of what is there and on the basis of science. That sometimes requires us to ask fishermen to take actions that can add to their working day. I do not want to burden people with regulation—that is not the direction that the Government are going in—and I am happy to meet my hon. Friend and the MMO to see whether we can find another way forward, but we need an accurate declaration of stocks in those areas.

Landfill

6. **Dr Alan Whitehead** (Southampton, Test) (Lab): What discussions she has had with the Secretary of State for Communities and Local Government on the likely effects of the outcome of the comprehensive spending review on the funding available to reduce the amount of waste going to landfill. [21646]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): We have worked closely with the Department for Communities and Local Government to understand cost pressures on local authority waste management over the spending review period and have taken these into account in the overall local government settlement. Significantly increased financial flexibility will free local authorities to allocate resources to meet their priorities and make continued efficiency savings while continuing to deliver our overall environmental goals for waste management.

Dr Whitehead: Has the Secretary of State looked at last year's estimate by the Waste and Resources Action Programme suggesting that there will be an additional 3 million tonnes of dried municipal recyclates circulating by 2015, while all-materials recycling facilities would be used up and 60% of local authority areas would have insufficient capacity? What has changed in this analysis since May 2010 other than her Department's withdrawal of seven private finance initiative waste projects and the cutting of local authority budgets by 28%?

Mrs Spelman: I invite the hon. Gentleman, who has a great interest in this subject, to look at some municipal waste statistics that have just been published this morning. The more recent data show three things: first, that we are producing less waste; secondly, that we are recycling more waste; and thirdly, therefore, that we are sending less to landfill. That is what makes us confident that the 2020 targets can be met with fewer publicly funded projects.

Dangerous Dogs

7. **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): When she plans to respond to the recent consultation conducted by her Department on dangerous dogs; and if she will make a statement. [21648]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The consultation closed on 1 June and received 4,250 responses. The

Government will be publishing a summary of those responses and will make an announcement on the way forward very shortly.

Luciana Berger: In 2008, almost 6,000 people needed hospital treatment for injuries sustained by dangerous dogs. The Communication Workers Union reports that every year between 5,000 and 6,000 of its members suffer injuries by dogs. Every month, three guide dogs are attacked. In the past three years, five children have been killed by dangerous dogs, including John Paul Massey in my constituency. Will the Minister seriously consider the draft legislation proposed by the Association of Chief Police Officers, the RSPCA and the National Dog Warden Association in order adequately to deal with this problem?

Mr Paice: I do not think anybody in this House can be unaware of the increasing problems of dangerous dogs to which the hon. Lady refers, and the tragedy of John Paul Massey and other children who have been killed by dogs in recent years. Clearly, we do have to act. I can assure her that my noble Friend Lord Henley, who leads on these matters, will be taking account of the proposals to which she refers. We should understand that we need to find a way forward that addresses the real problem of people who are already, in many cases, disobeying the law by holding dogs which are classified as dangerous dogs. It is those people we need to attack rather than the much larger number whose dogs are perfectly harmless.

Dr John Pugh (Southport) (LD): We do not let a criminal or unsuitable person have lawful possession of a firearm or a weapon. Given the known temperament of certain breeds of dog, could we not insist on a fit and proper person test as a precondition of owning a dangerous dog? After all, criminals seem to have a proclivity for precisely these breeds.

Mr Paice: As I have said, that proposition and many others are being considered by my noble Friend, and he will make his announcement shortly. My hon. Friend needs to recognise that to take that approach would require an immense amount of regulation and control about who was able to purchase dogs, which would then feed back through the whole supply chain of puppies and become quite a mammoth undertaking. Nevertheless, it is worth considering, as with all other propositions.

Common Agricultural Policy

8. **Mr Jim Cunningham** (Coventry South) (Lab): What recent discussions she has had with her EU counterparts on reform of the common agricultural policy. [21649]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): I, along with other DEFRA Ministers, regularly meet our EU counterparts to discuss reform of the common agricultural policy. The Minister of State and I attended the Informal Agriculture Council, where CAP reform was discussed, and most recently I hosted the German Agriculture Minister to discuss a range of issues of common interest, including reform of the CAP.

Mr Cunningham: Can the Minister tell me what impact the latest increase in the EU budget will have on the common agricultural policy?

Mrs Spelman: I am sure that the hon. Gentleman will appreciate that the EU budget needs to reflect the straitened economic circumstances that all European member states are experiencing. Last weekend, the Prime Minister met the German Chancellor, Frau Merkel, and earlier this week he met President Sarkozy from France, to have important discussions about the realities of the size of the EU budget. Part of those considerations will be the allocation that goes to the common agricultural policy.

Mary Creagh (Wakefield) (Lab): We all know that a successful outcome to the common agricultural policy negotiations is vital for Britain's rural communities. In an interview on "Farming Today", the right hon. Lady said that the Treasury had conducted a regional impact assessment of the CSR, and that her Department had considered its rural impact. I asked her Department for a copy of that rural impact assessment, and the reply from the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Newbury (Richard Benyon), stated:

"DEFRA has not carried out a formal assessment of the impact of the spending review on rural matters."—[*Official Report*, 1 November 2010; Vol. 517, c. 606W.]

Once and for all, can the Secretary of State tell the House whether the rural impact assessment exists?

Mrs Spelman: As I am sure the hon. Lady will appreciate, it is not just the decisions made at DEFRA that have implications for rural communities. As the Government's rural champion, DEFRA is therefore undertaking an assessment of the implications of other Departments' elements of the spending review across rural areas. For example, the Department for Culture, Media and Sport has made some positive decisions arising from the spending review, including the roll-out of superfast broadband in rural areas, that will have a positive effect on rural areas. The matter needs to be regarded in the round, and that work has been undertaken since the announcement of the decisions affecting all Departments was made on 20 October.

Local Rural Environments

9. **Matthew Hancock** (West Suffolk) (Con): If she will discuss with the Secretary of State for Communities and Local Government proposals to extend the power of communities to protect local rural environments. [21650]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The Government are committed to reforming the current top-down planning system to give communities far greater powers to shape their neighbourhoods and share in the benefits of growth. In particular, neighbourhood plans will give communities the freedom to bring forward more development than is set out in the local authority plan, or to introduce more localised rural environmental protection policies. The Department for Environment, Food and Rural Affairs will work closely with the Department for Communities and Local Government in taking that forward.

Matthew Hancock: I thank the Minister. To ensure that there is public support for important renewable energy programmes, does the Minister agree that it is crucial that such projects are put in the right place, and that projects such as onshore wind farms are not put in spectacularly beautiful parts of the country where there is no local support? Will he visit my spectacular part of the country in Suffolk, to see just how beautiful it is?

Richard Benyon: I am happy to inform my hon. Friend that I will be spending Christmas in his constituency, because my in-laws live there.

The importance of renewables is known and agreed upon throughout the House, and the Government recognise the value of increasing the amount of electricity that we produce from renewable energy. However, we also recognise the genuine local concerns, which have to be included in the planning process. We are reforming the planning system so that it will give local communities more of a say. We want to get that balance right, because it has become skewed in recent years.

George Eustice (Camborne and Redruth) (Con): As part of his discussions with the DCLG, will the Minister consider transferring responsibility for the management of the rural development programme for England to local enterprise partnerships where they wish to take on that role?

Richard Benyon: The Department is currently considering the best way of handling the RDPE budget in future years, and we will certainly keep hon. Members informed.

Covanta (Mid Bedfordshire)

11. **Nadine Dorries** (Mid Bedfordshire) (Con): What recent discussions she and officials of her Department have had with Covanta on its planned projects in Mid Bedfordshire constituency. [21653]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I can confirm that there have been no recent discussions between DEFRA Ministers and Covanta about its planned projects in my hon. Friend's constituency. DEFRA officials have attended meetings between Covanta and local authorities about Covanta's planned projects there, as part of the standard procedure of supporting local authorities in their waste management procurement processes.

Nadine Dorries: The Infrastructure Planning Commission has begun an online registration process for Mid Bedfordshire constituents to register their intent to object to the Covanta proposals. That process depends upon constituents having read a 7,000-page document. Will the Secretary of State and the Minister support me in a call to halt the online registration process today, so that the irregularities of it can be examined, and possibly so that it can be aborted and revisited at a later stage?

Richard Benyon: I am interested in that process, which fulfils part of the greater democratic accountability that the Government are talking about for decisions such as the one in my hon. Friend's constituency, about which I know she feels strongly. That is why we are abolishing the IPC and replacing it with an organisation within the Planning Inspectorate that will have much more democratic accountability. I hope that as many of her constituents as possible can contribute to the consultation before 19 November, but I will discuss her views with colleagues elsewhere in government.

Agricultural Wages Board

12. **Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): What assessment she has made of the likely effects of the abolition of the Agricultural Wages Board on wages and working conditions in the farming and food production sectors. [21654]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): Abolition of the board will allow modern employment practices within the agricultural and food packaging industry, which will help the industry develop and provide more job opportunities. Workers will retain any existing contractual rights in place at the time of abolition. New workers will be protected by general employment legislation, including the national minimum wage, as with workers in all other sectors of the economy. A full impact assessment and equality impact assessment will be made available during the legislative process.

Tom Blenkinsop: How does abolishing an organisation that ensures that workers get 2p above the national minimum wage support growth in rural communities such as mine in east Cleveland and in the rural economy?

Mr Paice: The hon. Gentleman puts his finger on the nonsense. What is the point of having the whole superstructure of the Agricultural Wages Board simply to provide a 2p-an-hour premium over the minimum wage? That is part of the justification for saying that the board is not necessary. I stand with the hon. Gentleman and other Opposition Members in wanting to see all farm and agricultural workers treated properly and receive a fair day's pay for a fair day's work, but we need to bring agricultural wages regulations into the present day so that the modern, efficient businesses in my constituency and his can grow, expand and provide more job opportunities, not fewer.

Badgers (Bovine Tuberculosis)

14. **Mrs Mary Glindon** (North Tyneside) (Lab): What recent representations she has received on the proposed cull of badgers to reduce the spread of bovine tuberculosis. [21657]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): A public consultation is currently under way on a badger control policy to tackle bovine tuberculosis. As of yesterday evening, we have received 1,613 responses from a variety of individuals and organisations. I would encourage anyone with a view to respond to the consultation, which closes on 8 December. We will be making a decision on the Government's approach early next year.

Mrs Glindon: What public order advice has the Minister received on badger cull licences?

Mr Paice: We have been consulting the Home Office and police forces in areas where we think culls might occur, and we will obviously take their advice forward. I do not want to prejudge the outcome of the consultation or, indeed, our consideration of it, but the hon. Lady puts her finger on a very important point, which has to be addressed in the overall approach that we adopt. I can assure her that we are talking with the relevant bodies and authorities.

Sugar Beet Industry

15. **Mr David Ruffley** (Bury St Edmunds) (Con): What steps her Department is taking to support the sugar beet industry. [21658]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): As my hon. Friend knows, supporting the farming sector is fundamental to my Department's business. The sugar beet sector remains heavily regulated by the common agricultural policy, and it is expected that it will be considered during the forthcoming round of CAP reforms in response to the European Union budget review. The UK Government will seek an outcome where our sugar beet industry can thrive in a more competitive and sustainable environment.

Mr Ruffley: The Minister will understand that the greater use of biofuels in this country will not only cut CO_2 emissions, but give a vital boost to East Anglian sugar beet growers. British Sugar would like to know what the Government are doing to provide incentives to companies such as itself to invest in future biofuel production. Can the Minister tell us?

Mr Paice: Incentives for biofuel production are primarily a matter for my right hon. Friend the Secretary of State for Energy and Climate Change, but I can assure my hon. Friend that we fully recognise the pioneering work that British Sugar has done at the Wissington factory in Norfolk, where it produces biofuels and uses the heat generated as a by-product to grow tomatoes in glasshouses. I can also assure him that we are determined to encourage and enable our sugar industry to contribute just as much to biofuels as to our sugar supply. However, in terms of the detail, he needs to address himself to my right hon. Friend the Secretary of State for Energy and Climate Change.

Environmental Sustainability

16. **Duncan Hames** (Chippenham) (LD): What discussions she has had with ministerial colleagues on progress by the Government towards its performance objectives on environmental sustainability. [21661]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): This Government are committed to showing leadership on sustainability through our own decisions and policies. I am discussing ways to mainstream sustainable development across Government, specifically focusing on Cabinet-level working, policy making and the Government's own operations and procurement with Cabinet colleagues. I have also spoken to the Chair of the Environmental Audit Committee to discuss how Government can be held to account for our performance against our commitments.

Duncan Hames: In the Secretary of State's role of leading mainstream sustainability across the Government, will she continue to meet the designated green Ministers from each Department to ensure that sustainability is the organising principle behind all that they do?

Mrs Spelman: I give my hon. Friend that assurance. Sustainable development cannot be delivered by one Government Department alone. In fact, the Cabinet Office has a cross-cutting role and will report on pan-Government progress against the targets for the sustainable operations of the Government estate. The latest performance data will be published by the end of the year.

Mr Jamie Reed (Copeland) (Lab): One key performance objective on environmental sustainability is protection from flooding. The Association of British Insurers has expressed disappointment at the Government's cuts to flood defence spending, and the Institute of Civil Engineers estimates that the cuts could cost us £4.8 billion in future. How will those cuts affect the insurance premiums and excesses of those 5.5 million British properties that are currently at risk from flooding? Can she give a guarantee that the cuts will not lead to any properties becoming either uninsurable or unmortgageable?

Mrs Spelman: I can assure the House that the Government are working very closely with the ABI on the question of insurance. Its statement of principles is up for renegotiation in 2013. My impression of the situation is different from the hon. Gentleman's, because actually the ABI welcomed the fact that much of the capital for flood defences was protected, so the Government can spend £2.1 billion on flood defences within the spending review period. There will be an 8% reduction per annum, but a lot of that can be absorbed in efficiencies, as the Environment Agency demonstrated this year by building more than its target of flood defences notwithstanding a 5.5% reduction in its resources.

Child Labour (Farming and Food Sectors)

17. **Gordon Banks** (Ochil and South Perthshire) (Lab): What recent discussions she has had with the Gangmasters Licensing Authority on the use of child labour in the farming and food industry sectors. [21662]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The Gangmasters Licensing Authority licenses labour providers in the agriculture, food processing and shellfish-gathering sectors, and also enforces the Gangmasters (Licensing) Act 2004. It does not have responsibility for enforcing legislation on child labour—that falls to the police, who work alongside local authorities' children's services departments. Nevertheless, the GLA played an important role in liaising with the relevant authorities in the recent very shocking case of Romanian children found picking spring onions in Worcestershire.

Gordon Banks: The Minister is right that we are all shocked at the news of those Romanian children. I take on board what he said about the GLA, but does he feel that, given the remoteness of some locations where people are expected to work in the agricultural sector, managing the possibility of child exploitation is difficult?

Mr Paice: As the hon. Gentleman knows, children below the age of 13 are not permitted to work other than in certain parts of the entertainment industry. He will also know that restrictions apply to the number of hours that 13 to 16-year-olds can work and that a licence must be obtained from the local authority before such employment begins. Let us therefore be under no doubt that if children are employed in agriculture, they are employed illegally, unless they are licensed in the way I described.

The hon. Gentleman mentioned the remoteness of much agricultural activity. I entirely understand his point, but I do not think that we should allow that incident—I cannot comment on the detail—to make us think that such practices are rife all over the country. The vast majority of farmers and fruit and vegetable growers behave properly towards their work force and ensure that they comply with employment legislation. We need to ensure that breaches in the law, as might have happened in that case, are dealt with appropriately.

Harriett Baldwin (West Worcestershire) (Con): The Romanian children were found working in my constituency. Many of the local farmers use migrant labourers. Has the Minister any general advice for those farmers on the employment of migrant labour?

Mr Paice: I can say to my hon. Friend quite clearly that the most important thing that anybody who wants to employ migrant labour—or, indeed, any non-local labour—should do is ensure that they are dealing with a licensed gangmaster. They should ask to see the certificate or licence of the gangmaster proposing to bring the labour on to the farm. That way they can all be reassured they are doing the right thing.

Farming Industry

18. **Neil Parish** (Tiverton and Honiton) (Con): What steps her Department is taking to assist the farming industry to become more competitive. [21664]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I refer my hon. Friend to the answer I gave a few moments ago.

Neil Parish: This country has a highly competitive pig and poultry industry that is completely unsubsidised and relies heavily on imported feed. Will the Minister assure us that we can get a greater threshold when allowing imports of non-genetically modified feed into the country, otherwise we will export our industry abroad?

Mr Paice: My hon. Friend makes an important point. Discussions are taking place in Europe about the threshold for the import of GM soya, predominantly, which is what he is talking about, and I can assure him that we will be taking a constructive view to those negotiations. Quite clearly it would be pointless to deprive our livestock sector of something in a way that simply means we import more livestock products that have been fed on GM food.

Andrew George (St Ives) (LD): Farmers clearly cannot be competitive if supermarkets have got them in an arm lock. In response to the question from the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart), the Minister rightly supported the Government policy of enforcing the grocery code supply practice. However, will he acknowledge that there is anxiety in the farming community about the fact that the Government may not be introducing this legislation soon enough. Can he reassure us that they will take the earliest opportunity to bring it forward?

Mr Paice: May I recognise and pay tribute to the sterling work that my hon. Friend has done on this matter over a number of years in bringing forward this proposition, which is now Government policy? I can reassure him that I am constantly talking to my colleagues in the Department for Business, Innovation and Skills and urging them to bring this forward, because I fully recognise its importance to the whole of the agriculture industry.

Topical Questions

T1. [21666] **Kerry McCarthy** (Bristol East) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): I am sure that Members on both sides of the House will want to welcome the agreement secured in Nagoya, not least because, as Members will know, the previous Government, and many before them, sought over a long period to secure agreement on a protocol on access to, and benefit sharing of, genetic resources, putting in place the tools to help countries halt the loss of biodiversity. It is right for us all to pay tribute to the officials in the Department for Environment, Food and Rural Affairs who have worked so hard for so long to achieve this agreement.

On my way back, I represented the UK at the closing ceremony of Expo 2010 in Shanghai, and I am delighted to be able to tell the House that the UK won the top award for a pavilion part-funded by DEFRA on the theme of biodiversity, and that the Chinese premier himself recognised its excellence. I would like to thank the Foreign and Commonwealth Office staff who delivered this considerable achievement—Simon Featherstone, who rescued the project, and Carma Elliot and her team, who spent four years driving the project to its successful conclusion.

Kerry McCarthy: In June, the Secretary of State said that the Hunting Act 2004 had not been a demonstrable success and was difficult to enforce, but figures published by the Department last year showed 57 prosecutions in 2009—an average of one every week—and more convictions than any other piece of wildlife legislation. How do Ministers square that with her belief that it has not been a demonstrable success?

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): If the hon. Lady examines those figures more deeply, she will find that most of them are to do with what is known as illegal hare coursing on land where the owner has not given permission for that to take place—let alone the fact that the process is currently illegal under the 2004 Act. The Government have said that they will bring forward legislation. It will be a free vote in the House, and she will have an opportunity to make her statements and to vote accordingly when the Government introduce that legislation.

T3. [21670] **Tony Baldry** (Banbury) (Con): May I thank the Secretary of State for having announced today that she will give permission for the £14.25 million Banbury flood alleviation scheme? It will be really welcomed in Banbury. It is being funded partially by the Environment Agency, partially by others such as Cherwell district council, and will enable the Banbury canal side regeneration scheme to go ahead, which will be very welcome. May I simply thank her and Ministers for doing the right thing?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I am grateful to my hon. Friend. The Banbury scheme is a prime example of bringing together business, organisations such as Railtrack, the local authority and the Environment Agency. That is a really important partnership, and a model for schemes elsewhere in the country. I am delighted that it is going ahead. My hon. Friend can take credit for frequently cornering me in the Lobby to show his support for the scheme.

T2. [21667] **Nic Dakin** (Scunthorpe) (Lab): The European Food Safety Authority has concluded that the major factor causing poor welfare in dairy cows is genetic selection to produce high yields. Given proposals to intensify milk production for higher yields, such as those planned at Nocton, will the Secretary of State agree urgently to review the welfare code for dairy cows in the UK, and to meet a delegation of cross-party MPs and non-governmental organisations to discuss how her Department can ensure that its code takes into account the latest scientific advice and ensures that any new dairies do not compromise cow welfare?

Mr Paice: I am happy to meet the hon. Gentleman and others to discuss the matter, but I assure him that the Department puts welfare at the top of our agenda, as I hope our record to date shows. However, we must be guided by science, which is why I am looking forward to the results of the three-year study being carried out in Scotland on intensive dairy farming, and the work at Harper Adams university college on the same issue. After that, we will be in a better position to know the precise answers. I remind him that the Farm Animal Welfare Council, which the Department normally listens to, has said clearly that welfare is a function more of management than of scale.

T4. [21671] **Mr Philip Hollobone** (Kettering) (Con): Given that the Department would like all animals to be stunned before slaughter, may we please have some food labelling regulations to mark halal and kosher products as such, so that those of us who object to ritual slaughter do not inadvertently buy such products in shops and restaurants?

Mr Paice: As my hon. Friend is aware and as the House fully understands, this is a highly emotive issue, and I understand the demand for labelling. As he rightly says, the Government would like all animals to be properly stunned before they are bled to slaughter. There is a discussion at European level about food information regulations, but we do not believe that that is the right vehicle. Next year, we will consult on implementation of the European animal welfare regulations, and the labelling issue will certainly be examined as part of that. I recognise the strength of feeling to which my hon. Friend refers.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I am sure that Ministers share my disappointment that last week's talks aimed at resolving the mackerel dispute between Iceland, the Faroe Islands, Norway and the EU ended without resolution. The ongoing uncertainty is causing great distress to the pelagic fleet and parts of the processing sector in my constituency, where much of the industry is based. Those people have much to lose and little to gain in the negotiations. Will the Minister update the House on the outcome of those negotiations, and assure us that the Government will take a robust line in those talks to defend our historic fishing rights and to ensure that the EU does not acquiesce to the unreasonable and environmentally destructive demands being made by Iceland and the Faroes?

Richard Benyon: I am well aware of the issue's importance to the hon. Lady's constituents and many others. The UK has been robust in its attitude to the Icelandic and Faroese proposal to damage a sustainable stock. We fear the risk that it may have on the Marine Stewardship Council's accreditation for the stock, and its impact on her constituents and many others. I assure her that we have been robust, we are being robust, and we will continue to be robust, as I believe is the Commission.

T5. [21672] **Damian Collins** (Folkestone and Hythe) (Con): Will the Minister tell me what impact the comprehensive spending review has had on flood defences, and particularly the Folkestone to Cliff End erosion and flood strategy, which is important for maintaining the sea defences along the Romney marsh coast, and to my constituency and that of my hon. Friend the Member for Hastings and Rye (Amber Rudd)?

Richard Benyon: My hon. Friend will be pleased that we managed to protect the flood budget in the comprehensive spending review. The amount is reducing—*[Interruption.]* At 8% a year it is considerably lower than the 50% capital cuts the Labour Government proposed. An 8% cut across the piece is a considerable advantage.

I have seen the schemes in my hon. Friend's constituency, and I have met the excellent Defend our Coast community group. That is exactly the sort of arrangement whereby we deliver more by working in a partnership, and deliver a better result at the end of the day. I hope that many of his constituents will—

Mr Speaker: Order. I call Bill Esterson.

Bill Esterson (Sefton Central) (Lab): Does the Secretary of State accept the findings of the independent scientific group on bovine TB, in particular when it says:

"Scientific findings indicate that the rising incidence of disease can be reversed, and geographical spread contained, by the rigid application of cattle-based control measures alone"?

Mr Paice: The hon. Gentleman needs to recognise that that study ended several years ago. We now have more science, which has superseded those conclusions reached by the independent study group. I have laid out

the new scientific evidence from ongoing studies in the consultation document, and that is the reason for the proposal that we have put forward.

T6. [21673] **Annette Brooke** (Mid Dorset and North Poole) (LD): The Prime Minister responded to a question from my hon. Friend the Member for Cheltenham (Martin Horwood) on 15 September about the Campaign to Protect Rural England's report on a bottle deposit and return scheme, and gave an indication that the Government would be looking at it. Given the potential to increase recycling and reduce litter, will the Minister give some views on the report and say what action might be taken?

Richard Benyon: We welcome the report, which we think is a good addition to the review of waste being carried out by my noble Friend Lord Henley, and we will certainly consider it as part of that process.

Natascha Engel (North East Derbyshire) (Lab): Investment in anaerobic digestion not only helps farmers to become more competitive, but helps small rural communities such as those in North East Derbyshire both to process waste and to make energy. What is the Department doing to ensure that farmers can diversify in this way?

Mrs Spelman: Anaerobic digestion has great potential in helping the farming industry reduce its overall carbon emissions and will be an important part of the Government's aim, as part of being the greenest Government ever, of achieving those reductions. Anaerobic digestion is something that we welcome, but the important thing is to have constant feedstocks. Anaerobic digestion has a wider application in the communities that we all live in, but for farming it is definitely an interesting option.

T7. [21674] **Margot James** (Stourbridge) (Con): Can my hon. Friend advise the House on whether he has had any discussions with independent animal welfare organisations about the prospects for intensive dairy farming of the sort proposed by a planning application in Lincolnshire?

Mr Paice: I have had no specific discussions or meetings on the matter, nor have I received any specific representations, but it has arisen in other discussions that I have had with animal welfare lobbies, which have all put their views forward. I should point out that, as I understand it, a planning application has not even been made yet. That will be a planning issue, and I cannot comment on the detail.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I am sure that the Minister will share my disquiet at the reported comments by the Icelandic negotiator last week. Will he do everything in his power to ensure that next week's meeting of the North East Atlantic Fisheries Commission is used as another vehicle to try to find a solution to the dispute about the mackerel quota in the North sea, which is vital to many communities in Scotland?

Richard Benyon: I can assure the hon. Gentleman that we will use any means possible to resolve the issue, which has wider implications. Iceland is going through a process of accession to the Europe Union, and it seems a strange way to behave to tear up the rule book before joining the club. We are using a variety of mechanisms to try to put pressure on Iceland to operate in a sustainable way and protect a sustainable stock.

Zac Goldsmith (Richmond Park) (Con): Does the Minister share the concerns of a number of farming organisations—in particular smaller farming organisations, such as the Small Farms Association and the Family Farmers Association—that plans to build a mega-dairy in Nocton will fatally undermine the viability of a great number of small and family farms?

Mr Paice: Obviously I understand those concerns, and as my hon. Friend knows, I have been in the industry for most of my working life. Two points need to be made. First, it is good news that somebody thinks that the dairy industry is worth investing in, given that so many dairy farmers have given up over the past few years. Secondly, I genuinely believe that there is huge scope for reclaiming much of our domestic market, which has been lost to imported dairy products. If through expansion and greater efficiencies we can do that, there will be room in the industry for both large and small producers.

Joan Walley (Stoke-on-Trent North) (Lab): Given the reference made to the Environmental Audit Committee, I hope we can return to the issue of resources in due course. On a constituency matter, I met the Staffordshire wildlife trust last week and it is looking to make a submission to the EU LIFE+ programme to enhance biodiversity in Stoke-on-Trent. Will the Secretary of State commit DEFRA officers to give support to any proposal that comes out of that?

Mrs Spelman: I am delighted to be able to offer that support. The wildlife trusts do an excellent job, which is why we see great scope in the concept of the big society for more work of this kind.

I might have made an error, Mr Speaker, in not responding myself to the question put by the hon. Member for Bristol East (Kerry McCarthy). I apologise, as I should have taken it—but, of course, I agree with everything that the Minister of State had to say.

Mr Speaker: The right hon. Lady, whom I have known for 15 years, is unfailingly courteous, and I think that will be very much appreciated by the House.

Andrew Bridgen (North West Leicestershire) (Con): The heart of the new national forest lies in my beautiful constituency of North West Leicestershire. Will the Minister assure the House that any sale of Forestry Commission assets will not reduce public access or enjoyment of our woods and forests?

Mr Paice: I am happy to give yet again the assurance that if any disposal of Forestry Commission land takes place—it is a matter for consultation—it will not be at the expense of any existing public benefit. I make the point that the National Forest Company, to which my hon. Friend rightly refers, has done a superb job. The discussion does not include the national forest, much of which is, of course, already in private hands.

Business of the House

11.31 am

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 8 November will be:

MONDAY 8 NOVEMBER—Remaining stages of the Finance (No.2) Bill.

TUESDAY 9 NOVEMBER—Opposition day [5th allotted day]. There will be a full day's debate on the impact of proposed changes to housing benefits. This debate will arise on an Opposition motion.

WEDNESDAY 10 NOVEMBER—Consideration in Committee and remaining stages of the Equitable Life (Payments) Bill, followed by a motion to approve European documents relating to economic policy co-ordination.

THURSDAY 11 NOVEMBER—General debate on policy on growth. The subject for this debate was nominated by the Backbench Business Committee.

FRIDAY 12 NOVEMBER—Private Members' Bills.

The provisional business for the week commencing 15 November will include:

MONDAY 15 NOVEMBER—Second Reading of the Terrorist Asset-Freezing etc. Bill [*Lords*].

TUESDAY 16 NOVEMBER—Consideration in Committee of the Fixed-term Parliaments Bill (Day 1).

WEDNESDAY 17 NOVEMBER—Opposition day [6th allotted day]. There will be a debate on an Opposition motion, subject to be announced, followed by a motion to approve the Draft Local Elections (Northern Ireland) Order 2010 and the Draft Northern Ireland Assembly (Elections) (Amendment) Order 2010.

THURSDAY 18 NOVEMBER—A debate on immigration. The subject for this debate was nominated by the Backbench Business Committee.

FRIDAY 19 NOVEMBER—Private Members' Bills.

Colleagues will also wish to know that my right hon. Friend the Chancellor of the Exchequer will open his Budget statement on 23 March 2011.

I should also like to inform the House that the business in Westminster Hall for 11 and 18 November will be:

THURSDAY 11 NOVEMBER—Impact of the comprehensive spending review on the Department of Health.

THURSDAY 18 NOVEMBER—Debate on the 2010 UN climate change conference, Cancun, for up to two hours, followed by a debate on houses in multiple occupation.

Hilary Benn: I thank the Leader of the House for his statement.

This week, Mr Speaker, you have granted two urgent questions because the Government did not see fit to come and tell the House what they were doing. The first concerned the fact that the Justice Secretary appears keener to put convicted prisoners on to the electoral register than he is the 3.5 million missing voters. The second was because the Prime Minister thought that the French President, the media, civil servants and just about everybody else should be told first about two very significant treaties affecting our nation's security, whereas the House of Commons got to hear about them only as a reluctant afterthought. Does the Leader of the House think that this is a satisfactory way in which to treat Members? Because I do not.

Turning now to broken pledges, will the Leader of the House assure us that enough time will be provided on the Floor of the House to debate the huge increase in tuition fees now facing students and the huge cut in funding for university teaching—a cut described in *The Guardian* today as "insane"? The House will require a lot of time. First, it will require time so that the Prime Minister can come to the House and apologise for breaking his firm pledge to keep education maintenance allowances, which, as every Member knows, have played a really important part in helping students from low-income backgrounds to get to higher education. Secondly, it will require time so that Ministers can be clear about what will actually happen to funding for undergraduate teaching of non-STEM—science, technology, engineering and mathematics—subjects.

The Minister for Universities and Science, the right hon. Member for Havant (Mr Willetts), told the Business, Innovation and Skills Committee that band C and D institutions

"would essentially lose their teaching grant support".

The House will wonder how places such as the School of Oriental and African Studies, Goldsmiths college, Leeds Trinity and All Saints college, the Royal Academy of Music and Leeds College of Music will manage when every single pound of their public funding for undergraduate teaching disappears. Yesterday, the Minister for Further Education, Skills and Lifelong Learning, the hon. Member for South Holland and The Deepings (Mr Hayes), said in Westminster Hall that

"We will continue to support the arts through the subsidy for teaching in universities."—[*Official Report*, 3 November 2010; Vol. 517, c. 315WH.]

Which of those statements is actually correct? It looks to me like another shambles.

Thirdly, we will need time so that Liberal Democrats—whether they are currently Ministers or thinking about resigning as Ministers—can explain to thousands and thousands of angry and disillusioned students what exactly they were thinking of when they made their solemn pledge to vote against any increase in tuition fees. It could not have been clearer. Was it just a ploy to win votes? Was it a mistake? Or was it that the Liberal Democrats had no idea what they were doing? Whichever it was, I do not think that they will be getting those votes again.

Has the Leader of the House read the powerful speech made on Monday in the other place by Baroness Campbell of Surbiton about the proposal to take away the mobility component of disability living allowance from people who are in residential care? She cited the case of a couple, both disabled, who say that if that goes ahead they will no longer be able to visit the doctor, the dentist, the bank, the church, the library or shops, let alone their friends and relatives. Why is that the case? It is because they will lose respectively 45% and 69% of their allowances. Lady Campbell said that the plan

"makes neither moral nor financial sense."—[*Official Report, House of Lords*, 1 November 2010; Vol. 721, c. 1468.]

[Hilary Benn]

I agree. May we have a debate on why the Government seem so determined to take away those disabled people's mobility, whether it is their use of taxis, electric scooters or electric wheelchairs so that they can actually get about? May we also have a statement on whether that harsh proposal was considered by the Government's own office for disability issues before it was announced in the comprehensive spending review?

Finally, can the Leader of the House confirm that there will be a statement following the G20 summit next week? Will photographs of the occasion by the Prime Minister's personal photographer and newest civil servant be placed in the Library of the House ?

Sir George Young: I am grateful to the right hon. Gentleman for his questions.

On Tuesday, the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), made it quite clear that the Government had made no decision on prisoner voting rights. I remind the right hon. Gentleman that in its 16th report of the Session, published in 2007, the Joint Committee on Human Rights criticised the then Government on the issue, stating that the time taken to produce the second consultation paper was "disproportionate", and that the Government's failure to enfranchise "at least part" of the prisoner community was "unlawful". That was three years ago, and during those three years the Government did absolutely nothing. The right hon. Gentleman will have heard what the Prime Minister said about that yesterday. It is another example of the coalition Government clearing up a mess that we inherited from the outgoing Labour Government.

The Prime Minister made an oral statement in the House on Monday, during which he said that the treaty to which the right hon. Gentleman referred would be signed the following day and

"laid before Parliament in the usual way."—[*Official Report*, 1 November 2010; Vol. 517, c. 615.]

There is no secrecy about that. The Prime Minister's statement was followed by a written ministerial statement on Tuesday morning. The Command Papers and explanatory memorandums will accompany each treaty when it is presented to Parliament for scrutiny in the usual manner in the next few days.

On tuition fees, the right hon. Gentleman—and his colleague, the hon. Member for Harrow West (Mr Thomas), yesterday—gave no indication at all of the Labour party's reaction to Lord Browne's report, which Labour itself commissioned. We are determined to have a fair system: a system that is free at the point of access, that enables more students from low-income backgrounds to participate, that offers generous student support and that is progressive by expecting only those who have completed their learning and are earning more to pay more.

On disability living allowance, the right hon. Gentleman raised the serious issue of whether one should align those in residential care funded by the NHS who lose the mobility component with those who are funded by social services who do not. There is an issue of equity between two people in identical circumstances living in the same home who at the moment receive differential treatment, and of course there should be adequate opportunity to debate it.

Finally, on the issue of photographs, it is important not to lose sight of the big picture. The right hon. Gentleman will have seen the statement by my noble Friend the Minister without Portfolio. The previous Prime Minister spent £40,000 a year on an image consultant and Labour spent over half a million pounds on photographs and videos in its last three years in office alone, so I honestly do not think it is fitting for the right hon. Gentleman to criticise this Government for misuse of the media.

Angie Bray (Ealing Central and Acton) (Con): My right hon. Friend will know that Horn lane in Acton is one of the most polluted roads in London, largely, it seems, because a group of industrial units still operate there. Local residents have now set up a campaign to try to deal with the problem, but they have discovered that it is virtually impossible to get anything done because they must prove that an individual unit is responsible. Does my right hon. Friend agree that a debate would help in identifying some new measures that might assist in tackling the problem?

Sir George Young: As my hon. Friend may know, I lived in Horn lane when I was the Member of Parliament for Ealing, Acton, and I apologise to her for not resolving this problem during my 23 years representing that constituency. She raises an important issue that might be an appropriate subject for an Adjournment debate, at which one of my colleagues from the Department for Communities and Local Government would be able to respond.

Kelvin Hopkins (Luton North) (Lab): The Leader of the House will have seen this week's reports arguing that alcohol is by far the most damaging drug in our society. Will he make time for a long and serious debate on alcohol in which we can look at the links between alcohol and high levels of teenage pregnancy and domestic violence, the incidence of foetal alcohol syndrome, levels of addiction, the impact on the economy and every other aspect of the alcohol problem, and in which we can also examine the possibility of unit pricing for alcohol across the whole country and of raising the legal age for alcohol consumption and purchase?

Sir George Young: The hon. Gentleman raises a series of serious subjects which of course the House should debate. We will be bringing forward tough action to deal with problem drinking, such as stopping supermarkets selling alcohol below cost price. We are going to introduce a much tougher licensing regime. We are also going to review alcohol taxation and pricing. Related to that, we will publish a drugs strategy in the coming months, and we will set out a radical new approach to public health in a White Paper, which will also focus on drinking issues.

Bob Russell (Colchester) (LD): I wonder whether the Leader of the House can find time for a debate on local enterprise partnerships. Quangos are being culled and that is resulting in Essex being twinned with Kent and East Sussex, which are not local. In fact, Holland is almost as close to Colchester as Brighton. Does the

right hon. Gentleman agree that it makes sense for Colchester and north Essex to be allied with Suffolk and Norfolk, rather than Brighton?

Sir George Young: Decisions about who is to be part of a local enterprise partnership should, essentially, be taken at local level, not by Whitehall. The thrust of our policy in abolishing regional development agencies is to let local people, local businesses and local authorities decide on the best formula for taking forward LEPs. The hon. Gentleman should therefore contact his local authorities and pursue the case with them, because it is they who will be deciding the framework for the future LEP.

Mr David Winnick (Walsall North) (Lab): Despite what the Leader of the House said, would it not be useful to have a statement next week on the fact that the Government now have not only an official photographer but a film maker? Is it true that Mr Parsons, the photographer, intends to display photographs of the Prime Minister all around Portcullis House so that the younger generation, particularly school parties, can pay tribute to the dear leader, North Korean-style?

Sir George Young: What this Government are seeking to do on the publicity front will, I believe, cost the taxpayer far less than the previous Government spent in achieving similar objectives and will do it far more effectively.

Nicholas Soames (Mid Sussex) (Con): Will my right hon. Friend consider the difficulties that many of us find with the process of consultation? Will he review this with his colleagues and see whether it might be possible to have a debate in order to find a better way for consultations to take place, in which people really feel that they have had their day in court and that their views have been listened to?

Sir George Young: I welcome what my hon. Friend has said. We will be producing a localism Bill, the thrust of which will be to push decision making down to the local level and to engage people more effectively in decisions that affect their own community. He will know that a code of practice on consultation has been put out by the Cabinet Office and, in the light of his question, I will raise with my right hon. Friend the Minister for the Cabinet Office the issue of whether this consultation paper might be revisited.

Mr Tom Watson (West Bromwich East) (Lab): Will the Leader of the House grant a debate on the accuracy of Government statements, particularly the use of the phrase, "We are all in this together"? On 14 May, Downing street proclaimed that ministerial pay would be cut by 5%, but I have been told by the Treasury that that has not happened. Were a civil servant to be overpaid by £3,500 his boss would make him pay it back. Will the Leader of the House tell the Prime Minister that he has to pay it back?

Sir George Young: Speaking from experience, I am pretty certain that my own pay is 5% less than my predecessor received for performing exactly the same duties. I will, of course, make some inquiries and confirm that the Government's policy to reduce ministerial pay by 5% has indeed been effected.

Martin Vickers (Cleethorpes) (Con): I appreciate the comments that the Leader of the House made a few minutes ago about prisoners' voting rights. Notwithstanding that, may I tell him that my constituents have been quick off the mark in letting me know their total opposition to any prospect of prisoners voting? It may be helpful to the Government to have an early debate, so that all Members are given an opportunity to express their views before the Government produce details. Could we please have such an early debate?

Sir George Young: I am grateful to my hon. Friend for that. Any change of the law would, of course, require a debate in the House of Commons. Ministers are considering how to implement the judgment—which the previous Government failed to do. When the Government have made a decision, the House will be the first to know.

Natascha Engel (North East Derbyshire) (Lab): Is the Leader of the House aware that Members who are unsuccessful in securing Adjournment debates can make representations to the Backbench Business Committee for debates in Westminster Hall of anything up to three hours? Will he therefore join me in encouraging Back Benchers to make representations to the Committee on Monday at 4 pm—and every following Monday at 4 pm? We have put in a regular slot, so that Members can make representations and bids for time, both in the Chamber and in Westminster Hall.

Sir George Young: I am grateful to the hon. Lady for that, and I would encourage hon. Members who have an issue that they think ought to be ventilated, either here or in Westminster Hall, to attend her salon on a Monday at 4 pm. May I also remind the House that the Backbench Business Committee has assumed responsibility for what were the set-piece debates in the previous Parliament? Debates such as the day on Welsh affairs and the one for international women's day will take place under the new regime only if Members go to her Committee and effectively make the case for their repetition.

Miss Anne McIntosh (Thirsk and Malton) (Con): May I visit the Leader of the House's salon to request, on behalf of all colleagues who have been affected by recent ward closures, an early debate on the approach of primary care trusts and hospital trusts across the country to closing wards by stealth? That is causing great concern and would justify an early debate.

Sir George Young: I am grateful to my hon. Friend for her question. There will be a debate in Westminster Hall next Thursday on the impact of the comprehensive spending review on the Department of Health. That might be a good opportunity for her to raise her concerns.

Mr Denis MacShane (Rotherham) (Lab): May we have an early debate ahead of the Prime Minister's visit to China on the case of Liu Xiaobo, the Nobel peace prize winner? In a shameful conspiracy of silence, there is no reference to him on either the No. 10 or the Foreign and Commonwealth Office website. When Andrei Sakharov won the same prize there was no greater champion of him than Mrs Thatcher. I am all for good trade with China, but it is shameful that neither of our two top spokespersons on foreign affairs has mentioned that great and noble man's name. Will the Prime Minister do it next week in China?

Sir George Young: Let me reassure the right hon. Gentleman that when the Prime Minister is in China he will raise the serious issue of China's human rights record. That issue will not go by default.

Tony Baldry (Banbury) (Con): Will my right hon. Friend encourage the Foreign Secretary to make a statement on his visit to Israel and the occupied territories when he returns next week? Many of us are beginning to doubt whether we will live to see a two-state solution and it would be good to hear the Foreign Secretary's assessment of what is happening in Israel and Palestine.

Sir George Young: I am grateful to my hon. Friend for raising this serious issue. If my right hon. Friend the Foreign Secretary is not able to make a statement, there are Foreign and Commonwealth Office questions next Tuesday, which would be an appropriate time for my hon. Friend to press him on that matter.

Valerie Vaz (Walsall South) (Lab): Many of my constituents have relatives in Pakistan who suffered in the floods and now feel largely forgotten. May we have an urgent debate on the current level of aid and support for those beleaguered people?

Sir George Young: I am grateful to the hon. Lady for raising this important issue. Again, there will be Foreign and Commonwealth Office questions next Tuesday, when there might be an opportunity for her to raise these issues with the Foreign Secretary.

Julian Smith (Skipton and Ripon) (Con): Many of my constituents are deeply concerned about the lack of transparency and accountability of the Yorkshire Dales national park authority. Will my right hon. Friend grant a debate on the future of Britain's national parks?

Sir George Young: We have just had questions to the relevant Department and I understand that the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury (Richard Benyon), will launch a public consultation next week on the governance arrangements of the nine English national park authorities and the Broads authority, thereby delivering one of the commitments in the coalition agreement and in the Department for Environment, Food and Rural Affairs draft structural reform plan.

Mr David Hanson (Delyn) (Lab): May we have an early debate on Public Bill Committee evidence sessions? This is an issue about which I also intend to write to you, Mr Speaker. I am a member of a Public Bill Committee that has had three evidence sessions, none of which the Minister has attended to hear the evidence, to contribute to the debate or to listen to Members' contributions. Whatever has happened in the past on this matter, is it not important that Ministers attend evidence sessions in Bill Committees?

Sir George Young: I shall make inquiries about that. I assume that the Minister in question is a member of the Committee and that there will therefore be adequate opportunities to press him in person on his performance during the Committee. I suggest that that is the appropriate forum in which to raise this matter.

Andrew George (St Ives) (LD): The Government's policy to introduce a supermarket adjudicator enjoys wide support in the country and has all-party support in the House. However, those who are enthusiastic about it cannot believe that the Government have no plans to introduce legislation to enforce the code of practice before the end of this very extended Session. What can the Leader of the House do to ensure that this matter is brought forward as quickly as possible?

Sir George Young: The hon. Gentleman raises a serious issue. The coalition Government intend to introduce, during this Session, a draft Bill to address that matter.

Clive Efford (Eltham) (Lab): The Leader of the House is held in high regard on both sides of the House and by all parties. As someone who holds the rights of the House in high esteem, does he share my eagerness to see information that has been given to the House corrected by the Secretary of State for Health? In Tuesday's Health questions, the Secretary of State said that spending on the national health service will increase in real terms even if the social care budget given to local authorities is removed, but the Library and the Nuffield Trust have both stated that that is incorrect. Can the Leader of the House arrange for the Secretary of State to return to the House to correct that misinformation?

Sir George Young: I am grateful to the hon. Gentleman for the kind words that prefaced his question. I shall raise with the Secretary of State for Health the point that the hon. Gentleman has made, implying that information was incorrectly given to the House, and I am sure that my right hon. Friend will take appropriate action when he has read this morning's *Hansard*.

Priti Patel (Witham) (Con): My 14-year-old constituent, Bethanie Thorn from Silver End, was a healthy teenager until last month when she was left bedridden by an illness. Despite her constant agony and blood tests that reveal cancer markers, the Mid-Essex Hospital Services trust is denying her the MRI scan that her doctor has urgently requested. Will the Leader of the House use his good offices to investigate the reason for the appalling delays at the trust and may we have a debate on why the trust has been able to spend £10 million employing 109 managers but cannot arrange this urgent scan for my constituent?

Sir George Young: I am sorry to hear of Bethanie's illness and I understand how important it is for her to have the MRI scan. As my hon. Friend will know, we are increasing in real terms the budget available to the NHS and we are introducing reforms so that more resources go to the front line. I shall raise this specific issue with my right hon. Friend the Secretary of State for Health to see whether there is any action he might take.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Yesterday, the tug boat Anglian Prince was again involved in serious work as it towed a ship with engine trouble into Stornoway. Luckily, this time the ship was not full of oil and was not a nuclear submarine. May we have a debate on the possible environmental damage of the cuts and the removal of the maritime insurance policy in north-west Scotland, thereby

highlighting the fact that the UK cannot or is unwilling to afford it, whereas an independent Scotland would and could?

Sir George Young: If the independent Scotland had the resources that it currently gets from elsewhere in the United Kingdom. The hon. Gentleman raises an important issue which I suggest is an appropriate subject for an Adjournment debate.

David Mowat (Warrington South) (Con): Prior to the spending review, it was accepted that Scotland receives approximately 20% more per head than a needs-based analysis would result in, particularly when compared with the English regions. That is due to an anomaly in the Barnett formula, but I understand that the Government do not intend to review the formula. The spending review cuts deeper in England than in Scotland; is it not time for a debate on this subject?

Sir George Young: As my hon. Friend has said, the Government do not intend to revisit the Barnett formula, but we have no objection to a debate on the issue if he applies for one in the usual way.

Mike Gapes (Ilford South) (Lab/Co-op): More than six months ago, candidates in all political parties signed a series of pledges, including the sanctuary pledge, in which candidates who are now Members of Parliament pledged to remove children from immigration detention. Why then, six months after the general election, has the coalition not yet carried out that pledge, which also appears in the coalition agreement?

Sir George Young: This is another issue that we inherited from the outgoing Labour Government, as they failed to address it. It is addressed in the coalition agreement, as the hon. Gentleman will see, and the coalition Government will take action to deliver that commitment.

Mr David Nuttall (Bury North) (Con): Talking of issues that were inherited from the previous Government, we found out this week—six months after the general election—that as a result of the European Court of Human Rights ruling about prisoners having the right to vote, the UK faces a bill in excess of £100 million. May we have a statement on what other hidden and contingent liabilities were left behind by the Labour Government for us to deal with?

Sir George Young: I am grateful to my hon. Friend. He will know, having listened to statements by Treasury Ministers, that we have had to deal with a large number of commitments by the outgoing Government for which the resources were not made available. On the specific issue, as he knows, Ministers are considering how to implement the judgment and, indeed, how to avoid the fines to which he refers. When the Government have made a decision, the House will be the first to know.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): May I press the Leader of the House? My right hon. Friend the Member for Leeds Central (Hilary Benn) mentioned that the Minister for Universities and Science has said that non-STEM—science, technology, engineering and mathematics—subjects will lose their teaching grant. Yet in a Westminster Hall debate that I took part in yesterday, the Minister for Further Education, Skills and Lifelong Learning said:

> "We will continue to support the arts through the subsidy for teaching in universities." —[*Official Report*, 3 November 2010; Vol. 517, c. 315WH.]

Please may we have an urgent statement on when universities will learn of their funding settlements in order to alleviate the uncertainty that so many universities, teaching staff, students and prospective students are suffering?

Sir George Young: Of course I understand the concern that the hon. Lady expresses. She will have heard my right hon. Friend the Minister for Universities and Science say yesterday in his statement that there would be a debate quite soon, after which there would be a vote on the order to raise the caps. That would be an appropriate point for the hon. Lady to raise her concerns again.

Adam Afriyie (Windsor) (Con): My right hon. Friend and every MP will be aware of the burdens and, more importantly, the excessive costs of the systems that the Independent Parliamentary Standards Authority has introduced. Do the Government have the confidence to allow the House the time to bring forward and to debate measures that would deal with those excessive costs?

Sir George Young: My hon. Friend has a private Member's Bill on that subject. The Government have no plans to have an earlier debate on IPSA, but he will know that IPSA is about to announce a review, and I hope that that will provide an opportunity for all hon. Members to submit their views. My view is absolutely clear: IPSA is there to sustain Members and to enable them to discharge their duties, and any barriers that get in the way should be removed.

Kevin Brennan (Cardiff West) (Lab): Speaking of salons, is it true that No. 10 has also employed a hair stylist? Perhaps that is what the Government mean by cuts. But seriously, may we have a debate on civil service recruitment? It is not just the Prime Minister's vanity snapper and film-maker that is at issue; I have had a letter outstanding to the Cabinet Secretary since September on the issue of the Culture Secretary bringing in people from outside the civil service at a time when civil servants are being sacked. We need a serious debate on the matter, and I need an answer to my letter.

Sir George Young: I have no knowledge of any hair stylist being employed at No. 10, and as the hon. Gentleman can see I would have no need of such a service. On the specific issue, he is entitled to a response to his letter. Any recruitment to No. 10 or, indeed, elsewhere in the public sector has to follow the due procedures.

Andrew Bridgen (North West Leicestershire) (Con): When can we expect the much awaited localism Bill to begin its passage through Parliament? I am particularly keen to see our planning system reforms introduced quickly. In my constituency and, I believe, those of many other hon. Members, developers are quite keen to exploit what they perceive as the grey area of planning before the Bill is introduced. When will we have settlement on the matter?

Sir George Young: I understand my hon. Friend's concern. The localism Bill was announced in the Queen's Speech on 25 May, and it contains a wide range of measures to devolve more powers to councils. In answer to his specific question, the Bill will be introduced to Parliament shortly.

Mr Clive Betts (Sheffield South East) (Lab): Two weeks ago, the Leader of the House announced a review of House sitting hours. Can he confirm that it will include a review of September sittings? Once it has taken place, will all matters, including September sittings, return to the House for a decision on a free vote? If so, will he provide to Members full information about the financial and other consequences for the long-term maintenance of the House of a shorter recess and less time to carry out maintenance during the summer?

Sir George Young: The Procedure Committee is indeed carrying out a review of the sitting hours of the House. It will include whether we should sit in September, as well as the actual hours that we sit during the day. That has always been a House of Commons matter on which Members have had a free vote. There will also be an opportunity for the House authorities to raise the issue of the cost to the House if they do not have a long run during the summer recess to carry out certain capital work—although whether that should be decisive in determining whether the House sits in September is something on which I should like to reflect.

Mr David Lammy (Tottenham) (Lab): The Leader of the House will be aware of the huge consequences of trebling fees to £9,000 for students, and of the decision to withdraw funding from arts and humanities teaching throughout our universities. He will forgive me, because I have an arts degree, but surely it is right that we debate not just the fee levels, but the implications for widening participation and the decision to withdraw from the arts and humanities. The debate must be about the entire matter, not solely the fee level.

Sir George Young: Yesterday we had an extensive debate on the issue when my right hon. Friend the Minister for Universities and Science made a statement to the House. There will be another full day's debate on the whole issue, as I said in response to an earlier question. On the specific issue of arts and humanities, which a number of colleagues have raised, I will of course pass on to the Secretary of State their deep concerns about the funding of those faculties.

Mr Dave Watts (St Helens North) (Lab): Given that the Government's economic policy seems to be based on sacking up to 1 million public sector workers and replacing them with private sector employees, and that nobody bar the Government believes that that is workable, may we have a debate in which the Government have an opportunity to spell out how they will achieve that miracle?

Sir George Young: I remind the hon. Gentleman of what the Office for Budget Responsibility has said on the matter. It expects whole economy employment to rise during every year of its forecast, from 28.89 million people in 2010-11 to 30.23 million in 2015-16. Employment has also risen very sharply in recent months. In the three months to July 2010, total employment rose by 286,000, and while public sector employment, to which he refers, fell by 22,000 in the second quarter, private sector employment rose by 308,000. That puts the issue in perspective.

Laura Sandys (South Thanet) (Con) *rose—*

Mr Speaker: Order. I assume that the hon. Lady was here at the start of the business statement?

Laura Sandys *indicated dissent.*

Mr Speaker: No. Okay, we move on.

Nic Dakin (Scunthorpe) (Lab): I wish to return to the education maintenance allowance, which my right hon. Friend the Member for Leeds Central (Hilary Benn) mentioned. As recently as June, the Minister with responsibility for schools reiterated the coalition Government's commitment to the EMA, but we now see that that commitment was as hollow as a Liberal Democrat pledge. Will the Leader of the House arrange for a statement on the equalities impact assessment of the withdrawal of the EMA?

Sir George Young: The hon. Gentleman will know that in the comprehensive spending review announcement, there was a clear statement on the future of the EMA, which will be transferred to a more targeted, local and discretionary system. We had a debate on the CSR last Thursday, when there was an opportunity to raise the EMA and other issues, so I am not sure that I can find time for another debate in the very near future.

Bill Esterson (Sefton Central) (Lab): When we have the debate that my right hon. Friend the Member for Tottenham (Mr Lammy) has requested, may we also have a debate on Lib-Dem manifesto commitments, so that Ministers can hear the comments of students in my constituency, who have told me that they have decided either to change courses, based on which careers pay most, or not to go to university at all?

Sir George Young: As I have said, there will be an opportunity to debate the statement that we heard yesterday. It would be helpful if, during that debate, we just had some idea of where the Labour party stands on the matter.

Mr Jamie Reed (Copeland) (Lab): The Leader of the House will know that we are five months on from the shootings in my constituency, so there is no notion whatever of a knee-jerk response to those events. The Association of Chief Police Officers has recommended changes to the gun laws, and Home Office Ministers have promised Members a debate on such changes. When may we have that debate, and may we have it sooner rather than later please?

Sir George Young: I am grateful to the hon. Gentleman. He will know that the Home Affairs Committee is undertaking an inquiry into firearms legislation, and we await the outcome of the inquiry into the tragic incidents in Cumbria earlier this year. Once we have had that, we will honour our commitment to a debate on our gun laws, which are already among the toughest in the world.

Mr Speaker, may I make it clear that the Budget statement is expected on Wednesday 23 March, and that private Members' Bills will be before the House on Friday 19 November?

Several hon. Members *rose—*

Mr Speaker: Order. I was expecting to move on to the main business. *[Interruption.]* I emphasise that I had been expecting to move on to the main business. Suddenly, there are points of order. We will observe just how genuine they are. I feel sure that they will be.

Points of Order

12.9 pm

Adam Afriyie (Windsor) (Con): On a point of order, Mr Speaker. I hope that this is a very important matter on which you can offer some guidance. It seems to me that in this Parliament over the last 100 years, Governments and Prime Ministers have often dictated the terms and conditions for Members of Parliament, when in fact Parliament should be dictating the—*[Interruption.]* The point of order is this: is it right that the Government should be able to block Private Members' Bills that relate to the terms and conditions for Members? *[Interruption.]*

Mr Speaker: Order. It is absolutely legitimate for Members of the House, including members of the Government, to take a view about a particular Bill. That is the short answer to the attempted point of order from the hon. Gentleman.

Andrew Bridgen (North West Leicestershire) (Con): On a point of order, Mr Speaker. I would like to bring to your attention the huge difference in the time that it takes to get letters from various Ministers. Should we introduce a maximum time for responses to legitimate questions from Back-Bench MPs?

Mr Speaker: A number of Departments have target response times. The hon. Gentleman says that he is raising a point of order with me, but it is not a matter specifically and directly for the Chair. He has, however, raised his concerns in front of the Leader of the House, who will have heard them. I feel sure that the right hon. Gentleman will attach importance to ensuring that those concerns are heeded.

Mr David Nuttall (Bury North) (Con): On a point of order, Mr Speaker. It seems to me that, certainly for new Members, there is uncertainty about when it is appropriate for points of order to be made—and, indeed, about what actually constitutes a point of order.

Mr Speaker: There is no uncertainty in my mind. *[Interruption.]* Order. I am genuinely sorry for the hon. Gentleman if he is suffering from uncertainty. I am not suffering from any uncertainty on this matter, although I pay tribute to him for his efforts.

Priti Patel (Witham) (Con): On a point of order, Mr Speaker. You will know that I have raised with the House authorities the delays there have been as I have tried to secure certain school tours. This week, I had a group cancellation—

Mr Speaker: Order. The hon. Lady was actively discouraged from pursuing that matter as a point of order. I fully understand her sense of grievance about it, but it is not, I am afraid, a matter of order. For her, it is a matter of real and understandable frustration, which is not quite the same thing.

Alun Cairns (Vale of Glamorgan) (Con): On a point of order, Mr Speaker. I seek your guidance. Earlier this week, there was a meeting, for the first time in 15 years, of the Welsh parliamentary party. I am not sure what the status of the Welsh parliamentary party is, but my question—

Mr Speaker: Order. That is not a point of order; the hon. Gentleman will resume his seat.

Mr Stewart Jackson (Peterborough) (Con) *rose—*

Mr Speaker: Last go. I call Mr Stewart Jackson.

Mr Jackson: On a point of order, Mr Speaker. Do you, like me, deprecate the practice, too common among Departments under the previous Government, of referring, in written answers to parliamentary questions, to website addresses rather than giving substantive answers? Will you intercede?

Mr Speaker: I am happy to comment on that point of order. The hon. Gentleman draws the attention of the House to what is becoming a common practice. Responses from Ministers to questions should be as helpful and clear as possible. Simply referring an hon. Member to a website is, frankly, not good enough. *[Interruption.]*

We come now to the main business. To move the motion, I call the Secretary of State, Dr Liam Fox.

Strategic Defence and Security Review

12.13 pm

The Secretary of State for Defence (Dr Liam Fox): I beg to move,

That this House has considered the matter of the Strategic Defence and Security Review.

Last month, the Government published the strategic—

Mr Speaker: Order. The Secretary of State should resume his seat. Given that he was manifestly late for the debate, I thought that, as a matter of straightforward courtesy, he would begin his remarks with a fulsome apology to the House. That is what he will now do.

Dr Fox: Mr Speaker, I completely apologise for any inconvenience to you or the House as a result of my late attendance.

Last month, the Government published the strategic defence and security review. This was a thorough, cross-Government strategic effort, overseen by the National Security Council, looking at all aspects of security and defence. It describes the adaptable posture that we have chosen to meet the threats and exploit the opportunities that we identified in the national security strategy.

Bob Russell (Colchester) (LD): I intervene to assist the Secretary of State. He should pour a cup of water and catch his breath, so that he can be fully refreshed as he makes his statement. I hope that my intervention has been helpful.

Dr Fox: There always had to be very good reasons for the coalition; my hon. Friend shows how collegiate we have become in the past few months.

I pay tribute, after a long and complex process, to Lord Stirrup and Sir Bill Jeffrey, the outgoing Chief of the Defence Staff and the permanent secretary at the MOD. I would like to thank them for all their hard work on behalf of the Department and the armed forces over many years.

The fiscal environment that we inherited from the previous Government has required us to make some very difficult and complex decisions in the SDSR. That should not come as a surprise to the Labour party. In his Green Paper, my predecessor, the right hon. Member for Coventry North East (Mr Ainsworth), who is in his place today, wrote with characteristic understatement that defence faced

"challenging financial pressures...which will constrain Government resources."

His Green Paper, a cross-party effort, said:

"We cannot proceed with all the activities and programmes we currently aspire to, while simultaneously supporting our current operations and investing in the new capabilities we need. We will need to make tough decisions".

We have had 12 years without a fundamental rethink and we are in the midst of the biggest financial crisis in a generation, with an inherited defence budget that is in overdraft to the tune of some £38 billion and is tied up by a byzantine system of contractual obligations. There was a record in-year increase of £3.3 billion in the equipment programme during Labour's last year in government alone. All that has come at a time when our armed forces are fighting at a high tempo in Afghanistan.

It has fallen to this Government to take the tough decisions required without undermining serious capabilities, the military covenant or the UK industrial capacity.

If we had a clean sheet of paper without the financial pressures that face all Government Departments as a result of the inherited fiscal deficit, and if we were unencumbered by existing contractual obligations and in different operational circumstances, the results would undoubtedly have been different. Nevertheless, although difficult, the decisions that we have made are coherent and consistent, and will provide us with the capabilities that we require for the future.

We now know that, as the former Chief of the Defence Staff has said, Labour Ministers were offered advice on which cuts to make to get the defence budget back into balance, but that advice was rejected owing to the lack of political will in the run-up to the general election. Only the coalition Government have had the political courage to do what was financially and militarily right with defence. We have had to implement the cuts that Labour Ministers lacked the courage to make.

Mike Gapes (Ilford South) (Lab/Co-op): The Secretary of State said that if he had had a clean sheet of paper, he would have made different decisions. Does that mean that the agreement with the French that was signed this week would not have happened?

Dr Fox: Quite the reverse. In opposition, we spent considerable time discussing with the French what we would want to do in terms of greater co-operation were we to win the general election. What we saw this week were the fruits of considerable labour on both sides for a considerable time.

It is rational and reasonable simply to want greater co-operation with our biggest military ally in continental Europe. What has been amazing in the last few days is the level of agreement, which seems to have occurred across the political spectrum, that this is not a drastic threat to UK sovereignty, but a common-sense use of both our nations' resources.

Mr Bob Ainsworth (Coventry North East) (Lab): As the Defence Secretary for the last year of the Labour Government, I remind the right hon. Gentleman that in that year we took £900 million out of the defence budget, rather than increase the deficit by £3 billion, and that that was met with howls from the then Opposition. Without wanting to fall out with the then Chief of the Defence Staff, I have to say that I cannot remember his ever having said anything to me about defence cuts that I was not prepared to make. I say that on the record.

Dr Fox: The right hon. Gentleman has made his point very clearly. Obviously, I am unable to say what discussions might have taken place. However, the point is that, as the National Audit Office said, there was an added overspend of £3.3 billion in the final year alone in the projects budgets. That is very clear.

As the Prime Minister has said, the SDSR was about taking the right decisions to protect national security in the years ahead, not simply a cost-saving exercise to get to grips with the biggest budget deficit in post-war history. However, let us be absolutely clear that those are not two separate things. Proper strategic thought encompasses ends, ways and means, matching ambition and policy to commitments and resources. A strategy that does not take account of fiscal or budgetary measures is no strategy at all; it is simply wishful thinking.

As Lord Ashdown recently put it, we cannot defend a country on flights of fancy. Furthermore, history has clearly shown how fundamental a strong economy is for effective national security and defence over the long term. We were left an economically toxic legacy by the previous Government. They doubled the national debt and left us with the biggest budget deficit in the G20. We are spending £120 million every single day just to pay off the interest on Labour's debt. The interest we will pay next year on the debt is some £46 billion, significantly more than the entire annual defence budget, and we will get nothing for that money. Without regaining economic strength, we will be unable to sustain in the long term the capabilities required, including military capabilities, to keep our citizens safe and maintain our influence on the world stage.

If we learned anything from the cold war, it is that a strong economy equals strong defence. The economic legacy of the previous Government is a national security liability. We were left with a situation in which the country's finances were wrecked while the world is a more dangerous place than at any time in recent memory.

Every Department must make its own contribution to deficit reduction and the MOD is no exception, but because of the priority we place on security, the defence budget is making a more modest contribution to deficit reduction relative to almost all other Government Departments.

The SDSR meets twin priorities of protecting front-line capability for Afghanistan and beginning the process of transforming our armed forces to meet the challenges of the future, setting the path to a coherent and affordable defence capability in 2020 and beyond.

Angus Robertson (Moray) (SNP): As the right hon. Gentleman knows, decisions still have to be made on the future of the joint combat aircraft and RAF Lossiemouth, which the MOD recently concluded to be the ideal JCA base because it provides excellent access to training areas and modern facilities and is the most cost-effective. The Secretary of State is in Oslo next week meeting Nordic partners. Will he discuss the opportunities for air defence co-operation with the Norwegians, who will have the same aircraft and will station them closest to RAF Lossiemouth?

Dr Fox: The hon. Gentleman makes a useful point. We will be discussing a wide range of future issues, including air defences and the common threats that we face. The hon. Gentleman's point is important but, as he recognises, it will have to be balanced against a number of other interests. We fully recognise the problems and anxieties that the uncertainties will create until the decisions are taken, but we will try to expedite them as best we can while fully understanding the issues involved.

As I said, the SDSR dealt with Afghanistan and the future 2020 force so, if I may, I shall take them in turn. Our armed forces are in Afghanistan first and foremost to protect our national security by ensuring that transnational terrorists cannot find safe and unhindered sanctuary there, as they did before 9/11. There is no difference across this House and those who seek to do

[Dr Fox]

ill to British forces or British interests should understand that there is a united House of Commons behind our armed forces.

Under the leadership of, first, General McChrystal and now General Petraeus, we have the right strategy in place to succeed. We now have the right number of troops in theatre with the right equipment and we will soon agree a plan for the transition of key responsibilities to the Afghan Government at the NATO summit in Lisbon in a couple of weeks' time. We now have to be patient and let the strategy run its course.

The Foreign Secretary set out to Parliament last week the steady progress that is being made in the security mission. Afghanistan is the top foreign policy priority for the Government and the main effort for defence and we will do all that is necessary to achieve operational success and ensure that our forces have the tools they require to do the job. I am grateful to the shadow Defence Secretary and the shadow Foreign Secretary for showing such an interest in detailed briefing on the subject so early in their time in office.

Keith Vaz (Leicester East) (Lab): Of course the Opposition support what the Government are doing in Afghanistan but, as we saw from the events of this week, as al-Qaeda is displaced from Afghanistan, it ends up in places such as Yemen. May I urge the Secretary of State to recognise that when we take action in one country, it affects another, and can we please also pursue a strategy to ensure that Yemen is as stable as possible?

Dr Fox: I am not sure that I accept the basic premise that it is an either/or situation. We have to deal with al-Qaeda in Afghanistan and Pakistan. Even if we deal with them effectively, that does not mean that there will not be a terrorist threat from elsewhere. We need to be ever vigilant and to recognise that the problem of dealing with an ideology is that it can occur in any part of the globe. We also need to be aware that it is most likely to be present and to have effect where there are failed states.

I believe that proper joined-up government that is willing to consider how we support failing states and how we get improved governance, resources and development into those countries is one of the best ways of ensuring that the ideology never takes root. It is true in whatever dispute we are talking about that people who have nothing to lose may gamble with it, whereas people who have a stake are far more likely to be circumspect about what happens. That is one of the best ways to deny territory to those with that sort of fanatical ideology.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I agree with the Secretary of State's assessment of Afghanistan and that there is a united House. However, could he enlighten the House by telling us at what stage the Prime Minister consulted him on the withdrawal date of 2015?

Dr Fox: We have so many ongoing discussions, not just inside the Government but, as the hon. Lady knows, with our NATO partners and with our American partners. It is essential that when we set these dates we are also cognisant of what the Afghan Government want. The Afghan Government have for some time—as the previous Government fully understood—had the ambition to manage entirely their own security apparatus by the end of 2014. The approach that has been taken by this Government and more widely in NATO has been to ask how we tie our timetables in with the ambitions of the Afghans. It is perfectly reasonable. As the NATO summit in a couple of weeks' time will show, it is increasingly the view of NATO that we should transition out of a combat role and allow the Afghan Government to have control by the end of 2014, but that we should maintain the resources required to give them support. For example, whether the Afghans will be able to develop any sort of meaningful air wing according to their timetable of 2014 is something that we must consider.

Bob Russell: May I take the Secretary of State back to his comments on last week's statement by the Foreign Secretary? So far, his speech has concentrated, quite rightly, on the military, but may I press him on the importance of joined-up government across Departments here so that in Afghanistan the political and economic sides—the other two sides of the triangle—get equal weight? Does joined-up thinking happen in Government here?

Dr Fox: It is increasingly happening, not only here but on the ground. To be fair, I must say that it is increasingly happening within NATO. The planning to co-ordinate military activity with the civilian reconstruction element is increasingly successful. There remains a gap which is what people talk about as "hot" construction, "hot" intervention or "hot" reconstruction, however we want to define it, which is at the initial period when we have military success, how do we begin the reconstruction process early enough and maximise the benefits from our own actions there? There are many people who would look at the example of Afghanistan in recent years and say that between 2003 and 2006 we perhaps did not ensure that we had in the optimal way joined the different elements that my hon. Friend mentions. However, we are seeing regular improvements in that regard, both nationally and internationally.

Richard Ottaway (Croydon South) (Con): As the Secretary of State is probably aware, the Foreign Affairs Committee visited Afghanistan last week, when we had an opportunity to see the components of the settlement that he has described put in place. We welcome the indications of cautious optimism that are coming out of that country. As for 2015, does he accept that when that pledge was made, it related to a period that was almost the length of the second world war? Does he agree that that provides an ample opportunity for a solution and a settlement to be realised?

Dr Fox: My hon. Friend makes a very constructive point. I think that the time scales are realistic.

Where proposed changes in the SDSR had implications for operations in Afghanistan, we have ensured that the success of the mission was given priority. Consequently we have made no changes to combat units involved in Afghan operations and have postponed changes in other key capabilities such as the RAF's Sentinel ground surveillance aircraft for as long as they are required

there. This is in addition to the enhancements planned in capabilities such as counter-IED, protected vehicle surveillance and remotely piloted aircraft. And of course we have doubled the operational allowance, as we promised.

The men and women of our armed forces risk an awful lot to keep us safe. In Afghanistan, their sacrifice has been significant, and it will continue to be a dangerous place in which to operate. All of us in this House owe them our respect and gratitude, but most of all we owe them our support. This Government will not let them down.

Mrs Madeleine Moon (Bridgend) (Lab): I appreciate what the right hon. Gentleman says about the debt of gratitude that we owe to our armed forces; that will be endorsed on both sides of this House. We also owe a huge debt of gratitude to their families. When the Prime Minister brought the defence and security decisions before this House, he said that there were decisions to be made about the allowances made to the armed forces and their families. When will we have that information? Can we have an assurance that those families will not be worse off as a result of the ongoing sacrifice of their family members on the front line?

Dr Fox: The hon. Lady makes a very important point. Indeed, when we recently met a number of our armed forces coming home from Afghanistan, we both pointed out that without the support of families it would be infinitely more difficult for our service personnel to be engaged in Afghanistan. It is important that when we look at allowances, we strike a balance between what will enable our personnel and their families to get an adequate standard of living, particularly when they face the unique difficulties of postings abroad or extended periods away from family, and ensuring, in the very difficult financial climate we inherited, that we get value for money. We will carry out the review as quickly as we can, but I have to say to the hon. Lady that I would much rather get it right than get it quickly. We need properly to understand the implications for changes to the allowance, and any changes that are made must be phased in in a way that makes it possible for families to adjust to and absorb any of the financial changes that we are forced to undertake.

Mr Bernard Jenkin (Harwich and North Essex) (Con): My right hon. Friend has rightly won admiration for the very difficult settlement that he has had to reach in this review. He is clear from his remarks that the Afghan campaign, which may be costing the British taxpayer up to £8 billion a year, has significantly skewed the shape of the core defence programme. Can this be quantified? Should not those distortions to the core defence programme also be funded from the reserve so that defence policy in the long term is not affected by what we are doing in Afghanistan?

Dr Fox: If my hon. Friend is saying that defence should permanently have more money than it gets in any one year, neither I, nor—I suspect, as I look at him—the shadow Defence Secretary would disagree with that. We have to live within the financial constraints that we have. When we say that there were inevitable distortions because of Afghanistan, that is merely to state the blindingly obvious. We need to have a regular period of review so that we are able to take account, on a constant basis, of changing circumstances. That is why we want to have a five-yearly defence review that is able to do that, so that we are not having to wait for disproportionately long periods before making any adjustments that we might need. The 2015 review will be a very useful point at which to try to assess what the legacy of Afghanistan may be on our armed forces and what adjustments are required in the light of that.

Let me now turn to the detail of the SDSR in relation to defence. The new national security strategy set out the policy framework that was the force driver of the SDSR. The adaptive posture demands that our armed forces become a more flexible and agile force with global reach, capable of providing nuclear and conventional deterrence, containment, coercion and intervention.

The Government are committed to the maintenance of the UK's minimum effective nuclear deterrent. We will proceed with the renewal of Trident and the submarine replacement programme, incorporating the changes set out in the value-for-money study published in the SDSR. The decision to extend the life of the current Vanguard class submarines and changes in the profile of the replacement programme mean that initial gate will be approved in the next few weeks. The next phase of the project will commence, and the main gate decision will take place in 2016. This programme does not in any way alter the continuous nature and credibility of the nuclear deterrent.

James Morris (Halesowen and Rowley Regis) (Con): There has been a lot of discussion about the renewal of Trident. Irrespective of the decisions about gates, can my right hon. Friend confirm the absolute centrality in his thinking of the fact that we need to maintain a continuous at-sea deterrent?

Dr Fox: I have absolutely no problem in agreeing with my hon. Friend about the importance of continuous at-sea deterrence. Let me make two simple points about that. First, having a continuous at-sea deterrent has a diplomatic utility. It means that because it is a background and consistent deterrent, we do not have the problem of choosing when to deploy it at a time of rising tension, which could exacerbate a difficult situation. Secondly, if we do not have continuous at-sea deterrence, we have to decide at what point we are physically going to put the deterrent to sea. That may require our having additional military assets effectively to fight it out to sea if required. Those who think that taking risks with continuous at-sea deterrence because it is a cheap option economically might need to think again in the light of what I have said.

The adaptable posture required by the NSC also means that we will be investing in new technology and capabilities more suited to the likely character of future conflict, such as cyber-security, while reducing our stockholdings and capabilities that have less utility in the post-cold war world, such as heavy armour and non-precision artillery. We will, however, maintain the ability to regenerate capabilities that are not needed now if threats change. Capabilities that we have the option of regenerating include increased amphibious capability as well as heavy armour and artillery in the event that more is required. We have taken less risk against those capabilities that are more difficult to regenerate, such as submarines, to take the point made by my hon. Friend the Member for Halesowen and Rowley Regis (James Morris).

[Dr Fox]

Alliances and partnerships remain a fundamental part of our approach. In taking decisions in the SDSR, we have given significant weight to the fact that we and our NATO allies consciously rely on each other for particular capabilities. Sometimes even our biggest allies do that. I think, for example, of the United States and the British mine-hunting capabilities in the Gulf.

Ms Gisela Stuart: Our biggest ally always retains certain sovereign capabilities. What would be the Secretary of State's thinking and planning on which of our sovereign capabilities we need to maintain as opposed to where we just share?

Dr Fox: If the hon. Lady will forgive me, I shall deal later with our thinking about what the United Kingdom needs to be able to do itself and in what circumstances.

We rely on our allies, and we will deepen our multilateral and bilateral defence relationships. This week, we set out our deepened relationship with France. On Wednesday, as I intimated to the House the other day, I will have a meeting with the new British-Scandinavian NATO group. That is very important for a number of reasons. We want a closer bilateral relationship with Norway, which is one of our key strategic partners. We want to create a NATO framework that makes it easier for Sweden and Finland to have a closer relationship, and as a nuclear power we want to give even greater reassurance to the Baltic states about the reality of article 5 of the NATO treaty. We also want to create regional structures to make it easier to engage with Russia, where we can, on regional problem solving. It is a useful lesson for the UK that in a world in which there is a multi-polar power base, we need more different levers to act in the interests of our national security.

The UK has unique national interests, however, and we cannot always expect to depend on our partners when Britain's direct national interests are threatened. I wish to make it clear that we will maintain an autonomous capability to sustain a considerable and capable military force on an enduring basis, if required, for both intervention and stabilisation operations. That means, at best effort, a one-off intervention force of some 30,000, including maritime and air support, or a force of some 6,500 plus enablers for enduring operations. That is not hugely dissimilar to the level of effort in Afghanistan today.

As delivering effective defence capability in the 21st century becomes more expensive at a time when budgets are under growing pressure, we should exploit economies of scale and increase co-operation where national security allows it and sovereign capability is not jeopardised. That means exploring deeper co-operation with NATO members, as demonstrated with France this week, and with partners further afield in key regions around the world.

I wish to set out the future shape of our armed forces and the process by which we have made our decisions. I will then deal with specific issues, particularly those on which we have taken calculated risks with capability.

The SDSR is a point of departure, not the end of the line. We have set a path to 2020 and beyond, with regular reviews every five years. The first period, from 2010 to 2015, is necessarily a period of rebalancing our strategic direction, in the light of the factors that I outlined earlier. That is required to tackle the unfunded liability in the defence programme, to live within our means as the deficit is addressed and to focus our efforts on Afghanistan. Overall, the resources allocated for the spending review period will allow us to pursue today's operations and prepare for tomorrow, but that means scaling back the overall size of the armed forces.

To make those judgments, we have contrasted cost savings and capability implications with the risks that we face in the real global security environment and our ability to reconstitute or regenerate capabilities that we might need in future. We have taken the tough decisions that the previous Government ducked. The Prime Minister has set out to Parliament in his statement and in the White Paper the implications for the structure and establishment of the armed forces, and I will not tax the patience of the House or yourself, Madam Deputy Speaker, by repeating each of them here. I will, though, address specific issues later.

There are still difficult decisions to be taken for the coming period as we implement the SDSR, including the basing decisions mentioned by the hon. Member for Moray (Angus Robertson), who is no longer in his place, and the rationalisation of the defence estate. As the hon. Member for Bridgend (Mrs Moon) said, we will also have the issue of allowances to deal with in the coming months. I can assure the House that we will take those decisions as quickly as possible, to minimise uncertainty, but in a way that is sensitive to economic and social pressures and the needs of our people and their families. In addition, three further reviews are being undertaken to bring other areas of defence into line with the new force structure.

Julian Smith (Skipton and Ripon) (Con): Will the Secretary of State give us a little more colour about how shocked he was by Labour's legacy?

Dr Fox: In the interests of brevity, I will say that I knew it was going to be bad, and it was much worse.

Bob Russell: Will the rationalisation of the MOD estate include such things as the scandal in 1995 of the sale of the married housing stock to Annington Homes, and the ongoing revenue rip-off that Annington Homes is enjoying at the expense of the public purse?

Dr Fox: There is no doubt that we need to deal with armed forces accommodation. We will want to do so as quickly as possible and in a way that produces the best and quickest improvement, at the best deal for the taxpayer. We will learn all the lessons from the previous Government, and even from times before them.

The three further reviews that I mentioned are the six-month study of the future role and structure of reserve forces; a review of force generation and sustainability by the service chiefs and the defence reform unit; and the remodelling of the MOD itself, which is overseen by Lord Levene's defence reform unit. Let me be very clear: I entirely agree with Lord Levene's view about the staff in the MOD, who are among the most able people I have worked with. I am sure that former Ministers would concur. However, I wish to be equally clear that the Department must be restructured to serve the interests of the new national security posture, and smaller armed forces will require a smaller system of civilian support.

I am acutely aware that behind the bare numbers of the reductions that we plan are loyal people, with livelihoods and families, who face an uncertain future through no fault of their own. We will do everything we can to manage the process sensitively and with care and support, but manage it we must if we are to meet our vision of the future force structure. The Government are determined to reinvigorate and respect an enduring military covenant. We cannot shield the armed forces from the consequences of the economic circumstances that we face, but we will make progress wherever we can. I look forward to receiving soon the report of the independent armed forces covenant taskforce that we set up earlier this year.

The second period, from 2015 to 2020, will be about regrowing capability and achieving our overall vision. That will include the reintroduction of a carrier strike capability, with the joint strike fighter carrier variant aircraft manned by a joint Royal Navy and RAF force, and an escort fleet including the Type 45 destroyer and, soon after 2020, the Type 26 global combat ship, which used to be called the future surface combatant—the names keep changing. We will also reconfigure the RAF fast jet fleet around the JSF and the Typhoon, and consolidate the multi-role brigade structure in the Army.

One of my goals as part of the SDSR was to reduce the number of types of equipment used to provide the same capability. Achieving that by 2020 will mean less duplication and less expense overall, when we take into account the complex training and support requirements of each piece of kit. That will include reducing the number of types of equipment in the air transport and helicopter fleets, and of destroyers and frigates.

Nevertheless, my very strong belief, which the Prime Minister shares, is that the structure that we have agreed for 2020 will require year-on-year real-terms growth in the defence budget beyond 2015. It would be nice to do more sooner, but as the great hero of the Labour party, Tony Benn, once said, albeit in different circumstances,

"the jam we thought was for tomorrow, we've already eaten."

How well he understood his own party.

There is a hard road ahead, but at the end of the process Britain will have the capabilities that it needs to keep our people safe and live up to its responsibilities to our allies and friends, and our national interests will be more secure.

I turn to some specific issues. The carrier strike capability that we plan will give the UK the ability to project military power over land as well as sea, from anywhere in the world, without reliance on land bases in other countries. Britain will require the strategic choice and flexibility in force projection that carrier strike offers. I also believe that that capability should be as interoperable as possible with the allies with whom we are most likely to work in future. The inherited design of the carriers would not have achieved that.

The House and the country must understand that any decisions regarding the carriers must be taken in the context of their extended service life of 50 years. The final captain of a Queen Elizabeth carrier has not even been born yet. When they go out of service, I will be 109 years old and the shadow Defence Secretary a sprightly 103. We are taking decisions now on what will be best for us as a country in the middle of the century. That is why we have taken three decisions. First, we have decided to take a capability gap in carrier strike, because we assess that the risk of not having access to basing and overflight for our fast jet force in the next decade is low. However, the same cannot be said looking further ahead.

Secondly, we have decided to install catapult and arrester gear, which will allow greater interoperability, particularly with US and French carriers and jets, and maximise the through-life utility of our carrier strike capability. Thirdly, we have decided to acquire the carrier variant of the joint strike fighter. Adding the "cats and traps" will allow us to use the carrier variant of the JSF, which has a bigger payload and a longer range than the STOVL variant planned by the previous Government. Overall, the carrier variant will be significantly cheaper, reducing the through-life cost compared with the STOVL version.

Contrary to popular belief, there will not be a new Queen Elizabeth class carrier in service without the planes to go on it, apart from in the period required by law for us to have the carrier properly crewed up and ready to accept the planes. The idea I have come across in some parts of the media—that we can get brand-new carriers and the brand-new planes to fly off them almost on the same day—simply defies the complexity of the operation involved.

When the carrier enters service towards the end of the decade, the JSF will be ready to embark on it. Yes, there will be a delay to the programme as a consequence of the decisions I have mentioned, but unlike the previous Government's delay to the carrier programme in 2008, which added £1.6 billion to the overall cost—more than the whole Foreign and Commonwealth Office budget next year—and gave us nothing in return, our delay will give us a carrier that is best configured for the next 50 years.

Mr Ainsworth: I am seriously concerned about the decision that the Government have taken. They have not only scrapped the Harrier, but retreated from STOVL, going back to what is basically today's and yesterday's technology of "cats and traps". They have left themselves potentially reliant on two aircraft that do fundamentally the same thing, giving up the ability to use short-take-off and vertical-landing aircraft. This is about more than the capability of the carrier. We are giving up—not temporarily, but permanently—the capability that the Harrier has given us. We will have two fleets of aircraft that fundamentally do the same thing.

Dr Fox: First, "cats and traps" are not yesterday's technology. In fact, considerable expense is going into ensuring that there are more modern, more effective "cat and trap" systems. The United States is spending a great deal of research and development money on that at present. Secondly, if we are to have genuine interoperability, it makes sense to have carriers that the American navy or the French can land on and, in the case of the French, use when their carrier is in refit and they require ongoing training. It is perfectly rational to buy the plane with the longer range and bigger payload, which is in fact cheaper. In the past, it was decided, for whatever reasons, to build 65,000-tonne carriers without a "cat and trap" system, and that decision was augmented by the STOVL decision. That would have been the most expensive variant, with the shortest range and the smallest payload. We are bringing those greater capabilities into better alignment with the carrier itself.

[Dr Fox]

The right hon. Member for Coventry North East mentioned the Harrier. We had to face up to the difficult choices that the previous Government put off. Regrettably, we have decided to retire HMS Ark Royal three years early and to retire the Harrier force—both in 2011. Of course, that is not unprecedented. The UK's carrier strike capability was gapped during the late 1970s, as we transitioned from Buccaneer to Harrier itself. While Harrier was operating in Afghanistan between 2004 and 2009, our ability to generate carrier strike was at best severely curtailed.

Over the next five years, life-saving combat air support to operations in Afghanistan has to be the overriding priority. In Afghanistan, the Joint Force Harrier did wonderful work, and I pay tribute to the Harrier aircraft, the crews that have serviced them and the pilots who have flown them since they entered service. During its deployment to Afghanistan, the Joint Force Harrier flew in excess of 22,000 hours on more than 8,500 sorties, more than 2,000 of which were close air support missions. It is my understanding that every Harrier pilot from every Harrier squadron took part at some point during the Harrier's deployment to Afghanistan.

Tough and unsentimental choices had to be made, however, and the military advice was that Tornado was the more capable aircraft to retain, due to its wider capabilities and force size, for not only Afghanistan but other significant contingent capabilities. Operations in Afghanistan between 2004 and 2009 took their toll on the Harrier force. By the time the aircraft was withdrawn from theatre, the force's ability to recuperate and regenerate a fully operational carrier strike capability—notwithstanding the strenuous efforts to do so by Joint Force Harrier—had understandably been affected.

The decision taken by the previous Government in 2009 drastically to salami-slice the number of Harriers meant that, even if we had wanted to, we could not sustain our current fast-jet requirement in Afghanistan using Harriers alone. The decision in 2009 reduced the number of Harriers from 18 force elements at readiness to 10, but the military advice is that we require 40 force elements at readiness of Harriers to maintain our fast-jet contribution in Afghanistan on an enduring basis and without breaching harmony guidelines.

Nicholas Soames (Mid Sussex) (Con): What steps does my right hon. Friend intend to take to retain the critical mass of flying skills of the absolutely admirable and remarkable Fleet Air Arm?

Dr Fox: The Fleet Air Arm will require something of a transitioning with the new joint strike fighter when we get towards the end of the decade. I have had discussions with my American counterparts, who have made it clear that, should we require help to maintain skills in any way in the run-up to that period, the United States will make the facilities available to us, and we fully understand that. Let me make it clear, as I did earlier, that the joint strike fighter will be flown from our carriers by both Royal Navy and Air Force pilots. We will maintain a joint force, which is an important message to both services at a time of uncertainty.

Some of the things we have read about Harrier have been hugely over-simplistic. As a result of decisions taken in recent years, I am afraid that the previous Government loaded the dice against Harrier a long time before the last election. I fully understand the consequences of retiring Harrier for livelihoods and basing, and the emotiveness of this beautiful and iconic aircraft, particularly in relation to the Falklands conflict of 1982, as everyone in the House will appreciate. However, I believe that we have made the right decision, based on unsentimental military logic.

The Falklands have been the subject of some comment in recent days. The Government are unequivocally committed to the defence of our overseas territories and dependencies, but the situation now is far removed from that of the early 1980s. First, we maintain a far more robust and capable force in the Falklands to act as a deterrent and to secure our interests there, and that force is able to be reinforced as the need arises. Secondly, and more importantly, Argentina is no longer ruled by a military junta that is repressive at home and aggressive abroad. Argentina is now a vibrant, multi-party democracy, constructive on the world stage and pledged to peaceful resolution of the issues that undoubtedly remain between us. Of course, we maintain robust contingency plans for times of crisis, and there is no questioning our resolve to defend the Falklands whenever required and from whatever quarter.

The decision to cancel the Nimrod MRA4 programme was extremely difficult due to the nature of the military tasks to which the aircraft was designed to contribute, the amount of public money that had been spent on it and the impact of such a decision on the people who have dedicated their careers to delivering this capability or who depend on it for their livelihoods. However, the severe financial pressures faced by the Government and the urgent need to bring the defence programme into balance meant that we could not retain all our existing programmes, as recognised by the previous Government in their Green Paper.

I recognise that this decision means taking some risks on the capability that Nimrod was to provide. Since the withdrawal of the Nimrod MR2 in March—a decision taken by the previous Government—the Ministry of Defence has sought to mitigate the gap in capability through the use, on a case-by-case basis, of other military assets, including Type 23 frigates, Merlin anti-submarine warfare helicopters and Hercules C-130 aircraft, and by relying on assistance from allies and partners. In view of the sensitive and classified nature of some of those military tasks and the implications for the protection of our armed forces, including the nuclear deterrent, it is not possible for me to comment on those measures in detail, but as the previous Government did, I am happy to make the Opposition spokesman fully aware, as far as the classification allows, of our decisions and the military advice upon which we take them.

As Defence Secretary, I have concentrated today on issues within my remit, but the guiding principle of the SDSR has been to join national security efforts across the Government, flowing from the direction that the new National Security Council now delivers. The SDSR covers far more ground—from conflict prevention to counter-terrorism, energy security, cyber-security and border security, and resilience at home and overseas—and I hope that hon. Members will take the opportunity to raise those wider issues today.

The Government had to take some difficult decisions, and the transformation will be painful, but we will

emerge with a robust national security structure and a coherent set of capabilities that supports our foreign policy goals of rebuilding our prosperity and safeguarding our security both overseas and at home, but I should like to end by restating my commitment to sustaining operations in Afghanistan. We must succeed there—that must be our main effort. At the heart of those operations are the men and women of our armed forces, the civilians and families who support them, the intelligence and security agencies, and all those who stand between us and those who would do us harm. The whole House will agree that they are the best of the best and thank them for their dedication, professionalism and selfless commitment. All of us in this country owe them a very deep debt of gratitude.

1.1pm

Mr Jim Murphy (East Renfrewshire) (Lab): I am delighted to have the opportunity to respond in today's debate and I welcome the Secretary of State's comments. At the beginning at least, his was a rather breathless speech. He spoke of being 109 years of age when the new Queen Elizabeth type aircraft carriers go out of service, but I hope he leaves more time to get to the Chamber from the Ministry of Defence when he is 109. He certainly will not be able to get here at the speed he did today.

Earlier in the week, the Secretary of State had to be summoned to the House to explain in detail the treaties with France, and today the House was treated to a quite remarkable filibuster to accommodate his diary and those of his fellow Ministers. I was tempted to reflect that perhaps they were on French time, but that would have brought them here in time for business questions rather than making them late for this debate. I welcome the ministerial team, who took the approach of arriving in shifts for their boss's speech this afternoon.

Despite that, it is with a sense of honour that today I am making my first speech at the Dispatch Box as the shadow Secretary of State for Defence. My sense of pride is only slightly diminished by having the word "shadow" in my job title.

Dr Fox: You had better get used to it.

Mr Murphy: I hope it will not be for too long. Even in opposition, it is an honour to work to support our armed forces and their families, and the defence of our nation and all our interests. The most important responsibility of the Government is the safety and security of our country. All MPs of all parties also carry that responsibility. I want the House to know that this Opposition will always act in the interests of what we believe to be right for our country, and not any narrow party interest.

Although the Secretary of State and I may disagree across the Dispatch Box, I want to tell him that I will never question his personal commitment to the defence of our nation. All Conservatives are patriots, but the Secretary of State must be aware that all patriots are not Conservatives. Therefore, I look forward to working with the Government to ensure that our forces, who are the best of Britain, operate with the right equipment. I also want to ensure that their service to their country is properly rewarded and valued, and where possible, that even more is done to value their dedication and patriotism. In addition, we should also recognise the crucial role played by so many MOD civilian staff, as the Secretary of State did. I should like to put on record the House's gratitude for the unheralded work of our security services.

I thought that the Secretary of State, in what was in large part a thoughtful speech, struck a better tone on the issue of MOD redundancies than has been struck before. Hitherto, there was almost a sense of celebration at the reduction in head count. It will be reassuring for MOD officials, who are perhaps watching this debate or will read *Hansard*, that there was no waving of Order Papers today at the announcement of potential future redundancies.

As the Prime Minister has rightly said in recent times, our power and influence is enhanced by our integration with political, social and economic global networks. However, I sense that the unprecedented scale and pace of global change will, if anything, increase ever more sharply in future. Although our openness increases the threats that we face, conversely it assists us, in part, in overcoming those contemporary challenges. Today's threats are more complex and difficult to map, and they are harder to repel. Terrorism, cyber-attack, natural resource shortages, large-scale disaster or unconventional attacks from chemical or biological weapons all threaten our shores, our interests and our values. Although we might face fewer conventional threats, our defences at home remain subject to frequent aerial and maritime probing and challenges.

The strategic defence and security review was an opportunity to reshape the UK's military force in that changing global security landscape. Unfortunately, according to the Royal United Services Institute, 68% of the defence and security community felt that it was a

"lost opportunity for a more radical reassessment of the UK's role in the world".

It seems that the security review did not clearly define Britain's place in the world, nor did it alter the balance of Britain's armed forces to meet existing and emerging threats. The review leaves unanswered many questions about Britain's place in this ever-changing world.

Dr Fox: In that case, can the right hon. Gentleman enlighten the House on what he and his party believe is Britain's proper role in the world, and say how it differs from that set out by the National Security Council and the Government in the White Paper?

Mr Murphy: I will come to that later in my comments, but it is clear that Britain must make a pragmatic assessment of our global ambition. As the Secretary of State has acknowledged—tersely in his letter and, I am sure, in private conversations with others in government—the review process has been driven largely by the cuts that the Government have been determined to make. Some people say that the 38-page document to which the Secretary of State referred looks like a decent executive summary, but no fewer than 10 pages in it are entirely blank. In parts, it lacks historical accuracy. On page 23, we read:

"For 800 years, the UK has been at the forefront of shaping the relationship between the rights of individuals and powers and obligations of the state".

The document predicts future threats, which cannot be an exact science—we know that—but it lacks historical accuracy. The fact is that the UK did not exist in its current form 800 years ago. A document that aims to

[Mr Jim Murphy]

set out a process and to predict the nature of future threats does not even get its history right. Its assessment of our nation's past lacks real intellectual vigour—*[Interruption.]* One of the Ministers who arrived a little late for the Secretary of State's speech says that that is a pedantic point, but I do not think that it is. To say that they do not understand the nature or the history of this collection of nations of the United Kingdom when it comes to an assessment of our role in the world is not pedantic.

There are major challenges facing our national security, as the Secretary of State has said, and as was emphasised only last weekend, with the bomb plots to bring down cargo planes. The defence review rightly makes it clear that primary among the myriad defence and security issues we face is Afghanistan.

I, my shadow Defence team and the shadow Foreign Secretary appreciated the first of what I hope will be many regular briefings on Afghanistan held yesterday in the Ministry of Defence. I also look forward to the opportunity to visit Afghanistan, and of course I, along with others on the Opposition Front Bench, will liaise with the MOD about such visits. I want to make it clear that we will work with the Government in a spirit of co-operation to help to bring the conflict to an end, and to ensure peace and reconciliation in Afghanistan. Our forces—and, indeed, our enemies—should continually be reminded of that unity of purpose. Our military aim must be to ensure that never again can al-Qaeda use Afghanistan as an incubator for terrorism, and we must use our military forces to weaken the Taliban to such an extent that the Afghan people can determine their own future.

Mike Gapes: May I join others who will no doubt welcome my right hon. Friend to his new role? His was an excellent appointment. I was in Afghanistan last week with the Foreign Affairs Committee, and we also went to Pakistan. Does he agree that although the international community—or some of it, at least—has set deadlines, there should be conditions-based activity in Afghanistan, and that the international community might need to think again about what will be needed in the future, if the proposed increase in the capabilities of the Afghan forces are not sufficient by 2015?

Mr Murphy: I have spoken to my hon. Friend and others who were on that visit to Afghanistan, and they commented on what they believed to be the significant progress made there in recent years. No doubt he would like to put that on the record as well. It is significant and important for the Government to continue to offer clarity about the conditions-based approach to the 2015 timeline; I am sure that the Secretary of State will have heard those comments and will seek to reassure the House and the nation on that matter.

The international strategy, which my hon. Friend the Member for Ilford South (Mike Gapes) saw on his visit, has been focusing on building up key pillars of the state and delivering better lives for the Afghan people. There is a real record of sometimes fragile achievement being carefully built upon in Afghanistan, and it is the bravery of our forces, which is renowned across the globe—we all celebrate that again today—and their professionalism, which we must also recognise, that has helped to make that progress achievable.

Mrs Moon: Does my right hon. Friend agree that when the British press write about the Afghan campaign, one of the problems is that we conflate Afghanistan and Helmand, although the severe problems that Britain is facing in Helmand are often not the same in the rest of the country? We must make it clear to the British public that outside Helmand there are positive conditions prevailing, good signs of development and huge progress being made. We are at the front line of the most difficult task, but we must not neglect the fact that huge successes have also been achieved.

Mr Murphy: My hon. Friend, who has paid close attention to these matters over a long time, is right. Those of us who supported the decision to take military action in Iraq and who supported the action in Afghanistan appreciate that those two conflicts have been conflated in public perception, which has not helped the debate about Afghanistan. She raised an important point about the misunderstanding and misapprehension about Helmand province. We heard from the MOD yesterday that Helmand province accounts for 1% of Afghanistan's population. The UK's forces are engaged in some of the heaviest fighting, and in some of the most difficult and most complex areas of the insurgency, but there has been remarkable progress, in Helmand and in other parts of Afghanistan. It is right that she has put that on the record, and that we celebrate it here.

The work that is going on in justice, law and order, civil administration, economic activity and freedom of movement in Helmand and Afghanistan, which my hon. Friend the Member for Bridgend (Mrs Moon) will have seen and read about, is a cornerstone of a lasting political settlement, as are efforts to eradicate institutionalised corruption. Part of such a settlement relies on meaningful engagement with former insurgents. As a precondition for engagement, those who want a political stake in their country's future must permanently sever ties with violence and accept the Afghan constitutional framework. In doing so, their interests will be recognised but constrained by the laws of the land and balanced by the interests and views of others. As the Government take that important work forward, they will continue to have the Opposition's full support.

I want to address a number of the points that the Secretary of State has made about Afghanistan recently. The first concerns the role of women in Afghan society. Many now rightly assess that women's role in Afghanistan has improved markedly beyond the pre-Taliban days in Afghanistan. Things continue to improve more slowly than we might wish. Nevertheless they have improved significantly, and I urge the Government to remain vigilant and ensure that, as former Taliban fighters are reintegrated, the welcome progress made in guaranteeing freedom and equal rights for women is not compromised in accommodating those with harder-line opinions.

As my hon. Friend the Member for Ilford South said, the Government have set 2015 as a target for the conclusion of our forces' combat role. We all wish to see our forces home as soon as possible. When I, along with my right hon. Friends the leader of the Labour party and the shadow Foreign Secretary, met General Petraeus recently, we talked about the conditions-based progress towards full withdrawal. It is essential that the UK Government are clear in private and public about the stages and conditions in advance of our withdrawal.

Crucial to Afghan and international ambition is the capacity of home-grown security forces to take on greater responsibility. It is important for the Government to make it clear whether they have undertaken an assessment of the capacity of Afghan forces to meet the 2015 timeline. Although the immediate concern about the quantity of recruits has abated—with 305,000 now in service—there remain genuine worries about the quality of some of those undoubtedly brave recruits. There is clearly a shortage of trainers for the Afghan forces, and although the UK is doing its bit, it is essential for that fundamental issue to be resolved quickly if the Afghan security forces are to be able to perform the functions that the Afghan Government wish them to. I urge the Government, therefore, to continue to monitor not just the quantity but the quality of the Afghan security forces. There is also, of course, a wider societal issue in Afghanistan concerning levels of literacy, which impact on the ability of the Afghan armed forces—but that is a longer term societal challenge.

Finally, on Afghanistan, we welcome the commitments that the Secretary of State and Prime Minister have given in assuring the House that the impact of the defence review is not intended to affect the front line in Afghanistan. However, Opposition Members—and, I am certain, many Government Members—will be seeking a constant assurance that nothing in the small print of the defence review or those flowing from it will affect our efforts in Afghanistan right up until the end of combat operations.

More widely, my right hon. Friend the Member for Leicester East (Keith Vaz) asked about Yemen. The Leader of the Opposition rightly asked the Prime Minister about that at Prime Minister's questions this week, and we were reassured by the Prime Minister's response. It is important that Yemen does not become a safe haven for terrorist recruitment, training and operations. It is also important that the country's economic decline and instability do not threaten regional security and economic interests. Continued conflict and loss of livelihoods could result in increasing poverty and a humanitarian crisis, and mass migration within the country and beyond. It is crucial, therefore, that we work with the Yemeni Government to counter the terror threat, including through our support in helping them to disrupt al-Qaeda.

Terrorism, however, is not the only threat facing Yemen. Al-Qaeda looks to exploit instability where it can, and it is of strategic importance for the UK to remain engaged in Yemen.

Keith Vaz: I congratulate my right hon. Friend the shadow Secretary of State on his appointment, and welcome his wise words today. Let us get the language on Yemen right. It is not a failed state, as some have said, but it has the capacity to fail if we do not assist it. We must follow up the promises made to the Yemeni Government in London in January to provide basic help, such as security scanners, which I understand have still not been delivered. Let us help Yemen and engage with it, rather than criticising it.

Mr Murphy: My right hon. Friend is experienced in such matters, and he is right to raise that point. So far today we have not heard anyone speaking of Yemen as a failed state, but it has the capacity to become so, with all that that means. I am sure that the Government heard my right hon. Friend's plea for scanners. The Prime Minister was asked about that at Question Time on Wednesday, and gave a categoric commitment to continue to be engaged in Yemen. In addition to the scanners being delivered, I look forward to the Government making it clear that ministerial engagement will continue, with visits to Yemen in the near future. It is important for that political public commitment to be there for all to see.

There are points in the review that I and many others welcome: the commitment to hold reviews every five years, taking forward the previous Government's work on cyber-crime to prevent organised crime, terrorism and other states from making malign attacks on our infrastructure, the 25% reduction in warheads, and the continued commitment to increase funding for our special forces. However, among all the talk of fiscal deficits, I want now to turn to the strategic deficit at the heart of the Government's plans.

There are strategic contradictions between the Government's assessment of future threats, as laid out in the security strategy, and the tangible action to prepare for them, as laid out in the defence review. Those two documents were separated by just one day in their publication, but face in different directions in important ways. The security strategy rightly says that it will prioritise flexibility and adaptability across the armed forces, but the defence review surrenders some of that capacity in the Royal Navy. The Government said that they wanted to take tough long-term decisions, but have put off Trident—to appease their coalition partners, I think .

Mike Gapes: Where are they?

Mr Murphy: There are no coalition party Back-Bench Members here to disagree, so I hope that the one belated arrival on the Front Bench does not take offence.

Some people believe that the decision on Trident owes more to defence of the coalition than to defence of the realm. The security strategy marks a significant shift with an emphasis on mitigating risk, the ability to deter, and the attributes of soft power. All that is rightly contained in the security strategy. However, the defence review lacks emphasis on cultural and diplomatic power in complementing traditional hard power. Indeed, the comprehensive spending review may have set back the cause of cultural diplomacy by many years. Moving the World Service, which has been so important to so many people in so many ways, from the Foreign Office may signify a serious scaling down of cultural diplomacy.

I grew up—or at least, spent all my teenage years—in South Africa, where people had to be bilingual in English and Afrikaans. I remember watching the news on television and listening to South African radio, and even as youngsters we knew instinctively that we could not trust what we were hearing, regardless of what language it was in. Whether it was in English or Afrikaans, we knew that it was state propaganda. The only place to turn to, which my family did, was the BBC's World Service. It was the one source of accurate and reliable information that people throughout the world regularly turned to at times of difficulty or when seeking the truth. Labour Members will continue to take a keen interest in what moving the World Service from the Foreign Office will mean to quality and reach in different languages throughout the globe.

Mr James Arbuthnot (North East Hampshire) (Con): Does the shadow Secretary of State agree that the role that the World Service could play in a country like Pakistan, where obviously we cannot and would not wish to send troops, is vital to the stability of the region, and would help our effort in Afghanistan?

Mr Murphy: The right hon. Gentleman is correct, and we can compete in our admiration of the BBC's World Service and all that it does, including the launch of the Arabic service relatively recently, the broadcasting in Pashtun, and the fact that President Obama used the medium of the World Service to broadcast. We are occasionally frustrated with some things that the BBC does, but in principle, as an institution, the World Service is something that everyone in this country who feels a sense of pride and patriotism should be remarkably proud of.

Mr Dai Havard (Merthyr Tydfil and Rhymney): As someone who lives in Wales, I regularly listen to the World Service, for reasons similar to those that my right hon. Friend gave for listening to it in South Africa: we have a colonial Government these days. I echo the point made by the right hon. Member for North East Hampshire (Mr Arbuthnot), the Chairman of the Defence Committee, that in Helmand province particularly, and other parts of Afghanistan, the really important medium of information is the radio. It is not the television, or Fox News, as it is in America. The power of what the right hon. Gentleman said is palpable to anyone who visits the place.

Mr Murphy: We seem to be entering an Adjournment debate on the importance of the BBC World Service.

Mike Gapes: Will my right hon. Friend give way?

Mr Murphy: I will give way to my hon. Friend, in the expectation that both interventions are on a similar subject, and then respond to them both.

Mike Gapes: Reference has been made to Pakistan. My right hon. Friend may not be aware that the BBC World Service gave evidence to the Select Committee on Foreign Affairs and said that because of financial restrictions, it could not go ahead with an Urdu language television service that it had hoped to establish. Does he agree that that is highly regrettable, and that the Foreign and Commonwealth Office, while it has responsibility for funding the World Service for the next two years, should reconsider?

Mr Murphy: My hon. Friend raises the crucial issue of funding support, and the World Service's reach and ability to do remarkable things, and to be a presence and a trusted friend of people across the globe who have few other sources of reliable and objective information in their own language. The Minister will have heard the comments that have been made, and it would be extraordinarily worrying if the sort of cuts that my hon. Friend has mentioned came to pass.

When I was in the Negev desert, I met Bedouin tribesmen who talked about the power of the BBC World Service, which again is the one source of reliable and objective information in that part of the world. I do not want to labour the point, but I am certain that we will return to it, as it has arisen in the comprehensive spending review.

The Government said in the defence review that they wanted to combat emerging threats, but we have heard little, in the review or since, about concrete plans to address threats to energy, food or water security. Thanks to the review, the Secretary of State's to-do list has grown. I do not doubt his ability, but he will have a packed day. Rather than announcing details in the review, the Government have delayed decisions until another day. A review has been set up to consider plans for procurement. Rather than coming up with a strategy for integrating, a review has been set up; rather than setting out efficiency savings in detail, a review has been set up; force generation, counter-terrorism and preparedness for civil emergencies are all subject to review. Add to that the fact that the plethora of parliamentary questions suggest that the Government have not done their homework, and that they must do better. Their strategy has been rushed, they did not ask many of the right questions, and they still have not come up with many answers.

I look forward to playing a full part in many of the reviews, but the sheer number is further proof that the entire process has been rushed. At the heart of the strategic incoherence is the back-to-front decision making leading to the review. For all the claims of cross-Government co-operation, the defence review has become a spending review—cutting what could be cut to meet fiscal priorities, not doing what could be done to reshape Britain's armed forces around strategic security goals. To answer the strategic questions, we needed a thorough examination of foreign policy flexibility, defence needs and how to make defence more efficient in the longer term, not simply a drive for immediate savings now.

Let me turn to some of the other points that the Secretary of State mentioned. On Nimrod, I welcome his commitment to share what he can with the shadow Foreign Secretary and me. However, there is a sense of disquiet in the country about the impact on the deterrent, and there are particular worries in parts of Scotland about the impact on air force bases.

Let me turn to the aircraft carriers, which my right hon. Friend the Member for Coventry North East (Mr Ainsworth), the former Defence Secretary, has spoken of. We already know that for a decade or more, the UK will have no carrier strike capability of its own. The Government have entered into two 50-year defence treaties with France, and although we welcome them in principle, there are still many unanswered questions. In opposition, the Conservatives played fast and loose with Euroscepticism when the Labour Government mooted defence co-operation. By contrast, we welcome a bilateral approach with our European neighbours. We will continue to support those efforts and ask the important questions. We are not clear whether those treaties, which have now been deposited in the Library, will contain legally binding guarantees. Last week in response to questions, the Prime Minister told the House:

"It is not easy to see in the short term the need for that sort of carrier strike".—[*Official Report*, 19 October 2010; Vol. 516, c. 808.]

Given the nature of those documents and the nature of the threat, the fact is that there is enormous uncertainty. Despite what the Prime Minister has said, and despite the fact that the title of the Government's own strategy document refers to an "age of uncertainty", they have not been able to persuade the country that they feel certain that we will not need carrier strike capability over the next decade. As the Chair of the Select Committee on Defence has asked, if the Government feel sure that we can do without that ability for a decade, why are they equally sure that we will not need a strike capability once that decade has passed? Our approach has led to our friends passing polite comment, while others snigger up their sleeves about a maritime nation building the two greatest ships in our history while the country is devoid of carrier strike capability for a decade.

In conclusion, I share the worry of many in this House and beyond the Commons—a worry echoed in the Defence Committee's report. The process has been rushed. Mistakes may have been made, and some of them may be serious. With respect, I hope that the Defence Committee is wrong, but I fear that it may be right. I want to finish my comments in the same tone in which I started. Nine years into a military commitment in Afghanistan, and with up to five more in a combat role ahead for our country and our forces, it is essential that we again commit ourselves to a bipartisan approach to Afghanistan. For all our disagreements on so many other issues facing our country, we are at one in supporting our forces as they face up to our enemies, and their families as they start to think of another Christmas separated from their loved ones. As our country comes together this week to commemorate the lives of those who have been lost in conflict through the ages, it is also right that today we celebrate the enormous contribution and immeasurable bravery of our men and women in uniform.

1.33 pm

Nicholas Soames (Mid Sussex) (Con): In the week before Armistice day, I, along with every other Member of this House, salute the memory of the fallen and extend my thoughts and sympathies to their families, as well as to those who have been wounded, to wish them a speedy recovery. I further pay a heartfelt tribute to the men and women of the British armed forces, wherever they are serving—sea, land or air—and most especially to those in Afghanistan; to the service families, who just by keeping the home fires burning do invaluable work for the nation; and to the civilian staff in the Ministry of Defence and elsewhere, who support our armed forces extremely well.

I welcome the new shadow Secretary of State. I am delighted to tell him that I had the privilege of working on the Green Paper of his right hon Friend the Member for Coventry North East (Mr Ainsworth), the former Secretary of State, which was valuable pre-thinking for some of the work that went into the SDSR. It was not the right hon. Gentleman's fault, but looking back, perhaps the only mistake was that none of the aspirations that we discussed was in any way linked to financial considerations. They were really linked more to the question of capability. To that extent, the Green Paper did an important job, even though its conclusion at the end of the day was held to be rather unrealistic.

I declare an interest, as the honorary colonel of the Bristol university officer training corps. One of their distinguished former officers, the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), now sits on the Front Bench, while the daughter of my right hon. Friend the Member for North East Hampshire (Mr Arbuthnot), the Chairman of the Defence Committee, is one of their most glittering alumnettes. I want the Secretary of State to be particularly aware of the exceptional work of the OTC this summer, when they deployed to Canada at full unit strength to take part in Exercise Prairie Thunder, an extremely important training operation that, as I am sure the House is aware, put formed battle groups through their paces before operational deployments, most particularly to Afghanistan. The cadets were attached to the opposition force, which is much the most interesting and fun thing to do, and they performed magnificently.

I raise that because I want the Secretary of State to congratulate the cadets on their efforts. They were extremely professional and did very well. I also want to thank the Ministry of Defence and all those responsible for helping, and to congratulate Lieutenant-Colonel Petersen and all those who arranged the exercise. I want the Secretary of State to understand that there is a wider utility to the university officer training corps, in supporting the regular Army. The exercise presented a tremendous opportunity for officer cadets to work with regular Army units, to everyone's advantage. I hope very much that he will remember that point when important decisions are taken about the OTCs, who make an important contribution to the military life of this country and provide an invaluable footprint at universities.

When the Prime Minister announced the review, I welcomed especially the careful analysis done to support it, and I welcome most of the conclusions that have been reached. However, as the Prime Minister agreed on the day that the review was announced and as the Secretary of State said this afternoon, this is just the starting point for a much more fundamental transformation of defence in this country, so that in 10 years' time we will have a defence posture and capability capable of securing our national interests at home and abroad. An enormous body of much more detailed work now needs to be done on strategy, capability and all the rest.

Let me take this opportunity also to congratulate my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) on the excellent report that the Select Committee on Public Administration has produced on strategy. He has made an invaluable contribution, and the Government need to pay careful attention to the points that he has made.

The purpose of the 2010 strategy review—and presumably that of all other reviews—is to achieve a strategy that matches ends, ways and means. The most immediate signal to come out of the SDSR is that the financial realities confronting the coalition Government—and the country—have forced them to make cuts that they would clearly much rather not have had to make. It is important to recognise that the SDSR has inevitably resulted in a real reduction in Britain's ability to undertake strategic power projection. The jarring gong of reality has sounded, and the truly dismal lessons of the past 13 years have had to be learned in a very brief period.

[Nicholas Soames]

As for the individual services, I would say this. First, I am afraid that I simply do not understand the stance of the Royal Navy, which would leave it unable to have anything but an absolutely minimal presence across the globe. That seems to be an appalling decision by the naval planners, and they will—mark my words—come always to regret it. Secondly, I simply believe that the Royal Air Force has got it wrong, while the Army has come up with a sensible, pragmatic and workable solution. However, will the Secretary of State tell me how he sees the development of the use of drone aircraft and who will be responsible for using them? What will be the configuration of the armoured regiments after the loss of the Challenger tanks? He is absolutely right to take those steps to retire—or, at least, to mothball—some of the Challenger tanks. What will the armoured regiments look like and what will their task be?

I warmly welcome the treaty signed between the French and British Governments. In truth, this has been 40 or 50 years in the making, and only now have the Prime Minister and the President of the French Republic managed to bring to harbour a very difficult and extremely important step for this country and for France. I am quite clear that it was the right thing to do. The most important step and the real game changer is with regard to the nuclear issues. I strongly and warmly welcome the treaty—although I know that my hon. Friend the Member for Harwich and North Essex has some reservations—and I think it will be but a precursor to further and greater co-operation.

I have three big points to make: first, on the reserves; secondly, on the need to maintain momentum around transformation; thirdly, on the Ministry of Defence headquarters.

I ask the Secretary of State to continue to examine how better to use our reserves. We in the UK are out of kilter with all our major allies. About 40% of US combat capability is generated by reserves. For example, the US deploys the National Guard brigades to Afghanistan where, after training, they perform on par with regular forces. The National Guard flies fast jets, including the 5th generation F-22 Raptor. The UK has demolished the capability of reserves to deploy as combat units. They are now used as trickle reinforcements to regulars. This may work well in Afghanistan—part of our main effort, as the Secretary of State said—and may help to allay regular overstretch. It is, however, a completely unimaginative approach to defence as a whole and a gross waste of a magnificent potential asset.

Much of our war-fighting capability is required at low readiness. As the House knows, this country faces no major external existential threat, and the opportunity to man much of it with expanded reservist capability and capacity clearly exists. Do we really need 300-plus fast jets at high readiness? No, we do not. Huge savings could be made, perhaps by placing two thirds of the force in reserve and building over the next 10 years the reserve capability to operate them. The Royal Air Force has a large alumni of brilliant fast-jet pilots, who would love to be better used. RAF regular pilots are reportedly restricted to 10 flying hours a month—fewer than US National Guard pilots.

Do we really need to man the tanks and artillery required for general war fighting with expensive regulars who are needed for operations on other equipment in Afghanistan? No, we do not. It is a gross waste of money, and they should have got on and done that a long time ago. Again, those could be stored with small quantities of equipment used for training competent reserve brigades to be held at low readiness. The same could go for much of our amphibious shipping.

The leadership of the UK armed forces, as I know the Secretary of State understands, has always shown a disappointing disregard for the real potential of a transformed Territorial Army, Royal Naval Reserve and Royal Air Force voluntary reserve. They need to be ordered to go away and undertake a root-and-branch review to re-balance armed forces to take proper benefit from this cost-effective and potentially powerful asset. I warmly welcome the steps taken for a review of our reserve forces, headed by General Houghton, and I pay particular tribute to my hon. Friend the Member for Canterbury (Mr Brazier), who has down the years championed the TA in this House with great vigour, power and energy.

My second theme is the need to continue to build momentum for transformation. As many have said, the strategic defence and security review is a beginning, not an end, but how can defence build momentum around the need to transform our armed forces without the catalyst of the SDSR? I was truly disappointed to hear the new permanent secretary in her first pronouncement on Monday say that the SDSR would be taken forward through the defence planning process. I have to tell the House that this is the same broken defence planning process that got the Ministry of Defence into the appalling mess that it is in now. This is about horse-trading, delaying, single-service rowing and general fudging of issues. What we need is real transformation. That game has definitely been started by the Secretary of State and it is clear that he has the will to see it through. I very much hope that he will do so, and get his way.

That leads me to my third point about the MOD. The best four years of my life were spent as Minister of State for the Armed Forces. I loved every single minute of it; I worked with the most wonderful people. They are marvellous people, but the MOD has become a vast and cumbersome beast. It centralises all power and freezes all decision making. Absolutely no one is accountable and no one is ever held to account. Difficult decisions are nearly always avoided, and vested interests always prevail. For a start, the single services plans organisation needs to be turned upside down and a far more purple approach is required. There are more three-star officers and officials in the headquarters now than there were 20 years ago when our armed forces were two thirds larger.

I would like to remind the House of what I said on 15 October 2009 in a debate on defence policy:

> "How can anyone seriously justify the creation last year of the post of director general of strategy to serve in addition to the director general of policy, who did the job perfectly well when I was a Minister? How can anyone justify creating a commercial director general, a chief of defence materiel, a deputy chief of defence staff personnel and a director general of human resources? It is a crazy, absurd, overblown bureaucracy."—[*Official Report*, 15 October 2009; Vol. 713, c. 503.]

That must be dealt with. The Secretary of State will have to move very quickly on this if he is to get his way on other matters.

Mr Jenkin: My hon. Friend is making some extremely powerful points. Does he agree that the emphasis now seems to have become a competition not between the three services, but between military personnel and civilian personnel? The fact that civilian personnel have given themselves equivalent ranks to military personnel has put them more in direct competition, so that they double up the functions of the armed forces.

Nicholas Soames: My hon. Friend is right. The problem is that there are overlaps at every level of decision taking in the Ministry of Defence. Two separate audiences are competing with each other. It is extraordinary that an institution that understands the ethos of command is so bad at doing it itself. Some of the most dreadful things were brought to me when I was a Minister. There might have been a terrible military cock-up and it would be taken away to be examined. The issue would come back six months later, but everyone would have had their fingers over it and Ministers would end up being told that it had been a great military triumph. It is true that no one is ever held accountable. The decision making is very lame and very long-winded.

Dr Andrew Murrison (South West Wiltshire) (Con): May I give a practical example to illustrate my hon. Friend's point? I learned to my horror that the vice-chief of the defence staff had recruited a civilian medical adviser, to parallel the function of the three-star surgeon-general who is doing a very good job—and, of course, at great expense. Perhaps that provides an example of a post the could be cut.

Nicholas Soames: My hon. Friend makes an extremely vivid and important point. We can bet our bottom dollar that there would have been a frightfully good reason for doing it—it should have been blown out of the water on day one.

All this has created the mess we are in, with a £38 billion overspend. One of the most important jobs of the Secretary of State and the Administration is to build an agile strategic military headquarters and Department of State which are able to respond effectively to the rapidly changing environment of the 21st century. That does not exist in the Ministry of Defence at present, and it must be created, which will mean considerable decentralisation. The front-line commanders-in-chief need to be given the tools and the space that they need to do the job. As has been said, they need to be allowed to get on with it, and to stop being micro-managed by civil servants in Whitehall.

I am very pleased that the Secretary of State has engaged Lord Levene and a team of admirable and extremely experienced experts from the private sector to assist in this task, but if they are to drive the huge changes that are needed, senior officers and officials must recognise that what they have built has failed catastrophically, and must change. They must understand the need to transform. The senior military and officials need to own the change themselves, and they need to drive it forward. It will be a complete and fundamental change of culture, but it must be achieved.

Let me end by reading out a quotation that I have read out during almost every speech on defence that I have made in the House for years and years. It is a remarkable speech made by Lord Wavell, which the House should bear in mind as all these changes are being made, and as they think about the men and women at the sharp end—the people who end up having to deal with decisions, sometimes very bad decisions, made in the Ministry of Defence.

Lord Wavell said:

"in the last resort, the end of all military training, the settling of all policy, the ordering of all weaponry and all that goes into the makings of the armed forces is that the deciding factor in battle will always be this. That sooner or later, Private so-and-so will, of his own free will and in the face of great danger, uncertainty and chaos, have to advance to his front in the face of the enemy. If all that goes wrong, after all the training, the intensive preparation and the provision of equipment and expenditure, the system has failed."

Despite everything, the system has not failed.

The House needs to remember, in the midst of the sometimes idiotic and petty political arguments that separate us in all parts of this House of Commons, that these young men and women are doing something really extraordinary, and doing it at great personal danger and risk to themselves. Ministers must never forget, in this great talk of strategy, this plethora of change and all that will go on at the top, with headquarters being got rid of and people being shuffled around, that they must be able to continue to deliver the really remarkable people who are able to do the job for which all this money is spent. That must be kept at all times in the forefront of the minds of the Secretary of State and the shadow Secretary of State.

1.53 pm

Mr Bob Ainsworth (Coventry North East) (Lab): It is a great pleasure to follow the hon. Member for Mid Sussex (Nicholas Soames). I echo his tribute to our armed forces—not just the fallen, but all of them. I spent two years as Minister for the Armed Forces and one as Secretary of State for Defence during a period when we were not only suffering the greatest losses of modern times, but fighting at the highest level of capability that we have had to achieve recently, and showing what our armed forces were capable of. That impressed on me what amazing people they are: they are worthy of our wholehearted support.

It is a great pleasure to follow the hon. Member for Mid Sussex for many other reasons. As he said, he was very helpful when I was producing a Green Paper while I was a Minister, and his commitment to the armed forces is recognised by nearly everyone. I do not think it was entirely recognised by the sergeant-major who was responsible for his training at Sandhurst, if all the stories that he has told me are true, but everyone else recognises it—and, of course, his ancestry rivals my own. *[Laughter.]*

My admiration for the current Secretary of State is growing by the minute. I have to say that he has displayed huge capability in the political field, both in the House today and elsewhere. In the political arena, he is emulating some of the skills displayed by the Duke of Wellington, who used to hide his horses on reverse slopes and show his strength where he felt weakest. The Secretary of State has done the same this afternoon: he has lectured us about strategy—he has used the phrases of the lecture circuit—because he knows jolly well that what has been presented to the nation in the last few weeks is far from a strategy. What we have is an SPSR, or

[Mr Bob Ainsworth]

"seriously pretend spending review", not a strategic security review. I think the Secretary of State knows that, but he does his very best to hide it, and he will do his very best to work within it. He has fought his corner hard in Government, and he is to be respected for that.

However, we never quite received an answer from the Secretary of State to the intervention from my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart). He talked a great deal about how we were joining our commitment to Afghanistan with the growing capability of the Afghan national security forces. The right hon. Member for North East Hampshire (Mr Arbuthnot), the Chairman of the Select Committee, tried to help him by telling us again what we all know—how long we have been in Afghanistan—but the question was very simple: did the Prime Minister consult the Secretary of State before he announced the 2015 withdrawal date for our combat mission in Afghanistan?

Answer came there none, but we know what the answer is. The Prime Minister did not consult the Secretary of State. He did not consult his Defence Secretary, he did not consult his Foreign Secretary, and he did not consult his Chief of the Defence Staff. We know whom the Prime Minister consulted before he made that decision: he consulted the Deputy Prime Minister. This was a political decision, made for political reasons. We have more than 9,000 troops in theatre in Afghanistan, facing an enemy whose main tactic is to wait until we tire and then to inherit a victory, but for political reasons, and no others, the Prime Minister of this country announced an end date for our combat mission, playing into the hands of the enemy by transferring the pressure from the Taliban to the Afghan Government.

I am not saying that there is not a huge need for pressure on the Afghan Government. The single weakest point of the campaign of the international security assistance force in Afghanistan lies in the weaknesses and corruption of its Government, and if we fail to put that right, the mission will most certainly fail. But the decision to remove the pressure on the main enemy for domestic political reasons without even consulting the Defence Secretary, the Foreign Secretary or the Chief of the Defence Staff was astonishing.

Mr Jenkin: I have great respect for the way in which the right hon. Gentleman conducted himself as Defence Secretary in very difficult circumstances, but I really do think that he is talking complete rubbish about this. When I last visited Afghanistan, the Americans had already indicated that they were minded to withdraw, and the effect of that was to galvanise the Afghan political process. The stalemate in the Afghan political process has been the main obstacle to progress in Afghanistan. I believe that the Prime Minister made the right announcement, and I have no doubt that my right hon. Friend the Secretary of State for Defence was properly consulted.

Mr Ainsworth: I have the greatest respect for the hon. Gentleman as well. I know that he follows these issues, and takes them very seriously. As I have said, there is a need for pressure on the Afghan Government—I do not doubt that—but let us not pretend that the British Government only went as far as the American Government had gone. What the American President said in autumn 2009—albeit unfortunately taking a long time to say it—was that by 2011 there would be a draw-down of the additional troops put into Afghanistan. He did not say there would be a withdrawal and an end to the combat mission. It was the British Prime Minister who said that, and as he is the leader of the nation providing the second largest troop contribution, that announcement was by no means insignificant in respect of the ISAF contingent.

The British Prime Minister named a date for the total end of the combat mission for party political reasons. We can establish that by considering the people he consulted as against those he failed to consult. If the reasons for the announcement had been to do with the operational mission, he would have consulted the Defence and Foreign Secretaries and the Chief of the Defence Staff, but as both the hon. Member for Harwich and North Essex (Mr Jenkin) and I know, the person he consulted was the Deputy Prime Minister.

Mrs Moon: At the beginning of today's debate the Defence Secretary was asked whether or not he was consulted on the withdrawal of British troops, and he said by way of reply that the 2015 date was arrived at because the Afghan President had stated that he wanted to have strategic control over the defence of Afghanistan by 2014. Does it not therefore follow that if the Afghan President decides by 2014 that he is not ready to take over that strategic command and control, we will have to stay longer? Perhaps the Prime Minister should discuss and consult on that matter with the Defence Secretary.

Mr Ainsworth: Well, the decision has been taken, and it has been repeatedly reiterated. It is not going to be reversed, so we can ponder it as much as we like, but our armed forces and others will have to plan within the parameters that have been set for them. All I would say to my hon. Friend is that if the reason she has advanced for the 2015 decision is correct, President Karzai would have been consulted before the announcement was made, but as the Defence Secretary was not consulted, I do not believe that President Karzai was consulted either. The person who was consulted was the Deputy Prime Minister, and that is what gives us the key insight into the motivation for this announcement.

Dr Murrison: I think the right hon. Gentleman is getting distracted over this consultation issue. The central question is whether the Afghan national army is going to be in a fit state in five years to guarantee the country internally and externally. Does he seriously think that if it is not ready in five years, it will ever be ready?

Mr Ainsworth: Plans are in place, and the argument the hon. Gentleman puts is part of the cover for the 2015 decision. but I know that, privately if not publicly, he has no doubts about the real reasons that decision was taken, and he knows that what I am saying is true. Many other people know it to be true, too.

On the strategic defence review, I do not deny the problems the Government were facing, although they are doing their very best to exaggerate the difficulties we left them. They keep on mentioning the figure of £38 billion, and if they persist in doing so eventually somebody will

apply their common sense and realise that it is a bit of an exaggeration. There was overheating in the defence budget, but the only way we can get even close to £38 billion is by assuming a flat cash settlement for more than 10 years and no trimming of defence aspirations. That is not what the Government did and it is not what any alternative Government would do.

However, I do not blame the Government for exaggerating the difficulties they inherited because they did have some very difficult decisions to take. They faced an extremely acute financial situation and they had to try to conduct a strategic defence review with the Army in the field. I congratulate them on their efforts to do that, although I think they could have tried harder. They could have consulted more and therefore not rushed, and they need not have been totally dominated by the financial considerations, but they did their best in very difficult circumstances.

I also congratulate the Government on their decision to invest in cyber-security. That is a genuine area of weakness that needs to be addressed, but is the investment they are making in cyber-capability being counted towards our 2% NATO target for defence spending? What else are they putting into that in order to get to the 2% figure and thereby shield themselves from the fact that there are considerable defence cuts here that could—it depends on how we count this—take us below that target figure?

Dan Byles (North Warwickshire) (Con): I join others in thanking the right hon. Gentleman for the work he did as Secretary of State. We all know that he inherited a very difficult situation and he did the best he could in the circumstances. He is also my constituency neighbour of course, and we work together on other issues.

The right hon. Gentleman has alluded several times to the fact that the review was a spending review rather than a strategic defence review. Does he honestly believe that if Labour had won the last election, defence would have had a better financial settlement than has been achieved under this Government?

Mr Ainsworth: I have to say that the answer is, "Not necessarily." I think we would have taken more time and consulted more broadly, however. I think we would have got industry on board and carried more people with us, but I am not sure how well we would have done. I will come on to that issue later, however, as I want to make one further point about the level of settlement that has been achieved.

I am genuinely worried about the decision the Government took on the joint strike fighter. The Prime Minister's announcement on the strategic defence review revealed that we have not only not funded the carriers, but we have bought the wrong aircraft. The Government have, effectively, done away with our short take-off and vertical landing capability not for 10 years because of the early demise of the Harrier, but for ever. We will therefore end up with the JSF and the Typhoons. They will be two separate fleets, and small fleets too, because there will not be the money to expand either of them. We will be faced with the running costs of those two separate fleets as well, when they have fundamentally the same capability.

I know that the JSF has stealth whereas the Typhoon does not, but the Typhoon is a pretty impressive beast, and we are going to wind up paying for two separate sets of maintenance for two separate fleets of fast jets that do fundamentally the same thing, but having given up short take-off and vertical landing capability. That capability is not only required for flying off carriers; it is required for other scenarios too—day-one warfare involving failed states, for example. A Harrier can take off in a big car park, but the JSF basically needs a full-size runway in order to be able to operate. That capability would be greatly valued by the US Marine Corps if the programme had been maintained, but now that the British Government have pulled out it will not be available to us. I am not at all sure that the Government have not made a significant mistake in that regard.

Let me return to how well the Government did. The Defence Secretary fought his corner and the headline cut in the defence budget is 8%, but in reality it is 13%. That is because the Treasury has won and it has transferred the costs of the deterrent to the core budget. That is getting very little attention, but it is equivalent to another 5% cut in the defence budget. The Government put off the decision on the renewal of the deterrent and the Prime Minister told the House in a fantastic piece of salesmanship that he had actually managed to save money while doing so. Well, he managed to save money by the normal process of the initial gate assessment that is going on: by cutting the number of warheads and of tubes. That would have been done, irrespective of who the Government were, as part of the assessment phase of the deterrent, because both parties are committed to the maintenance of a minimum credible nuclear deterrent.

But again the decision to delay the deterrent was one made for political reasons—for coalition reasons—not for industrial reasons or for reasons of capability. No matter what the Prime Minister tries to say to the House, that decision, on its own, costs this country billions of pounds—it certainly costs in excess of £1 billion and I would say the figure is probably £2 billion. So for the purposes of keeping peace in the coalition for the next five years, we have thrown away between £1 billion and £2 billion on the deterrent. The Prime Minister accused us, with a degree of justification, of shirking hard decisions and pushing things to the right, but while he was saying that—while those words were falling from his mouth—he was doing exactly the same thing. That is one reason why this is not a strategic defence review but a political fix and a spending review, and most certainly with regard to Trident.

As a result of that, my party—I know that the Liberal Democrats will have to do this—may well have to consider whether or not we maintain our position on Trident. We set the position in 2006 and we held to it. We did not try, as the Liberal Democrats did, some short-term political fix to pretend that we had another way. But if no decision is to be taken for another five years and if the cost of a like-for-like replacement of Trident will fall wholly and solely on the defence budget, at the cost of other military capability, we will have to think seriously about whether there is another way. We will also have to use the time, the expertise that exists in think-tanks and some of the information that will come from the armed forces themselves, now that the pressure is on and they are paying for the deterrent in alternative capability, to see whether there is some other way of maintaining Britain's deterrent without the huge cost that will come at the expense of the rest of our armed forces.

Dr Fox: If, as the previous Government said in their own study, the current Trident replacement was the most efficient and cost-effective way of defending Britain against a unique existential threat, and if the reason for having the deterrent in 2006, as set out in the previous Government's White Paper, was that we could not predict the threats in the next 50 years, what has changed since the election?

Mr Ainsworth: The answer is a treaty that the right hon. Gentleman has just signed with France; technological capability going forward; another five years; and a need to analyse the cost-benefit as against the other defence benefit that will be lost. It is all very well for the Foreign Secretary to say there will be no strategic shrinkage, but the Government have embarked on a fairly substantial degeneration of the military capability in this country that underpins our strategic position in the world. It may well be that Trident remains the most effective option and that a continuous at-sea deterrent is still essential, but with another five years we will have to examine that. Other people will examine it and if we do not, we will be seen to be putting our heads in the sand and not prepared to undertake a proper analysis of the choices that we face.

I have one further point to make, and it relates to force generation. The Secretary of State will know that his personnel costs are rising every bit as much as his equipment costs. The equipment costs catch the headlines, and people talk about them and the press get excited about them, but the personnel costs are rising every bit as fast. The Commandant General of the Royal Marines addressed a meeting in the House of Commons just a week or so ago, when he was able to say that the Royal Marines could generate deployable capability more cheaply than the infantry. If he can stand on his feet while he says that, something needs to be examined in the way the Army force- generates. The Royal Marines' training is much longer and is therefore a lot more expensive. In addition, the Royal Marines' capability is arguably considerably higher, so if it is cheaper as well, something is wrong and this needs to be examined.

One important job that the Secretary of State needs to do, and one that I started to get into, is to deal with how the Army force-generates, although he will be hugely resisted if he does so. If he is going to keep that minimum ongoing deployable capability force of 6,000—or whatever he said is the figure he is trying to maintain—he is going to need a 90,000-strong Army, so that corner needs considerable examination. I urge him to do this job, because it is necessary if we are going to get value for money and motivate the very fine people who make up our armed forces.

2.16 pm

Mr James Arbuthnot (North East Hampshire) (Con): So far, this has been the best informed and best defence debate I have attended in this House. As the right hon. Member for Coventry North East (Mr Ainsworth) knows, I had a very high opinion of his tenure of office as Secretary of State for Defence, and it is a pleasure to follow him. He spoke with his habitual integrity and persuasiveness. I also wish to welcome the shadow Secretary of State for Defence to his position. As he knows, I also have a very high opinion of him, to the extent that I was a bit surprised that he did not stand for the leadership of his party. *[Interruption.]* I have ruined his chances now. I hope that, contrary to his own wishes, he will be in that position for rather longer than his predecessor was, because we should not have too many changes of position in these very important places.

The first and most important thing that the Ministry of Defence did was to start a strategic defence and security review, so the first and most important thing that the Select Committee on Defence did was to begin an interim report on that review. After we have done more work on our current inquiry into Afghanistan, we will be resuming our inquiry into that review. We have not yet done that, so what follows are my own views, rather than those of the Committee.

The 1997-98 review took place in a benign economic climate, whereas this year's review happened against bank meltdown and the simply dreadful economic consequences. That is why the Government decided that the defence and security review had to coincide with the comprehensive spending review. As a result, it became primarily a spending review and, secondly, a defence and security review. Is that a bad thing? It is absolutely essential to get the country's economy right. What won the second world war was the United States' economy, and the same applies to the cold war. The greatest weapon that a country can have for its defence is a strong economy, and any business man knows that the key to having a sound business is keeping one's costs under control. If the Government had done nothing, instead of paying £43 billion a year in debt interest alone, by the end of the Parliament we would have been paying nearer £50 billion a year. As the former Chief Secretary, the right hon. Member for Birmingham, Hodge Hill (Mr Byrne), said, there is no money left.

The Defence Committee recognised all that, but we also wanted to look at the process of the review and we concluded that it was, pretty much, rubbish. This review took five months, whereas the highly regarded 1997-98 review took 13 months. The haste of this review meant that an opportunity to consult the wider public, defence academics, the defence industry and Parliament was missed.

Nicholas Soames: I know my right hon. Friend's views on this matter, but does he accept that the review was the first stage of a process that will require a great deal more work? Both the Prime Minister and the Secretary of State for Defence have made that point. It is merely the architecture behind the transformation of defence that will take place, so an ongoing defence review will be needed all the time; indeed, there is to be one every five years.

Mr Arbuthnot: I accept what my hon. Friend says and I listened with great admiration to his earlier comments. There is a lot of work to be done, as the Secretary of State has made plain, and I hope that my hon. Friend will play as valuable a part in it as he played before the election.

My greatest concern about defence is that the British, and perhaps the European, public believe that defence is a job done and that the end of the cold war meant the end of the need to spend serious amounts of money on defending our interests. They think we can rely on the Americans to protect us, but they are wrong: the Americans will protect us only for as long as it is in their interests to

do so. Until our constituents demand that we spend more on defence, no Chancellor of the Exchequer will wish to do so, but that will not happen until the public are properly engaged in talking about defence or until they understand its importance and purpose. If one conducts a defence review behind closed doors, while everyone is away on holiday and at a pace that would startle Michael Schumacher, no such understanding will arise. Let us hope that the next one comes across better.

Given all my criticisms of the process, the result was far better than I expected. First, the Secretary of State for Defence did an absolutely valiant job of fighting his corner and I doubt that he alienated the Prime Minister or the Chancellor in the process—he was doing his job. Secondly, given that the Secretary of State started with a defence posture and budget that were both utterly incoherent and unsustainable there was a surprisingly strategic feel to the outcome, the thrust of which seems to be that we shall be gambling our security in the short term in exchange for its enhancement in the longer term. That is preferable to the reverse, provided that we always have at the front of our minds the need not to fail in Afghanistan.

Thirdly, despite the tightness of the settlement, there was a recognition of the changing and unpredictable nature of the threats we face. There was extra money for cyber-security and a recognition by the Secretary of State personally regarding the threat from electromagnetic pulses. I expect also that there will be extra money for space security. Those are some of the new threats.

Bob Stewart (Beckenham) (Con): I think that is superb. The real problem that having smaller armed forces will bring is an absolute requirement to get our intelligence tip-top. We have been utterly surprised so many times in history. We have to make our intelligence much better, so that we reduce the chance of being surprised again. For example, why do we have so many intelligence agencies? I would bet my bottom dollar that we will be surprised again, but we have to reduce the risks as much as we can. That is as much a part of the review as anything else; indeed, it is probably one of the most important factors.

Mr Arbuthnot: I agree. My hon. Friend talks about the number of intelligence agencies we have, but he might like to look at the United States, which has such a plethora of intelligence agencies that it gives one a headache simply to look at a wiring diagram. Nevertheless, he is quite right: some of the threats we face are unpredictable. We are useless at predicting where threats will come from, or where we may need to be deployed, and for that reason we have to be adaptable.

My overall view of the review is that it is 80% common sense, pragmatic and broadly agreed upon, and 20% controversial, risky and able to generate headlines in the media. The success in pulling together the 80% that is agreed upon should not be overshadowed by discussion and argument over the 20% that is not, but that is what sells newspapers.

Let me give one example in relation to the French-UK treaties that were signed this week. I am in no doubt that they are a good thing, and that we are moving in the right direction. I have a reservation relating to the aircraft carriers, but I repeat that the treaties are a good thing. Actually, I believe that we should go further and give reality to the treaties, so that the warm words that they contain might be translated into tangible progress in training, doctrine, equipment-sharing, acquisition and research with our good friends and allies, the French. My reservation about the aircraft carriers, however, has been wrongly depicted as some great showdown between myself and the Secretary of State. I shall explain my reservation.

When the SDSR was announced last month, the Prime Minister said of the aircraft carriers:

> "We will build both carriers, but hold one in extended readiness." [*Official Report*, 19 October 2010; Vol. 516, c. 801.]

And we all know that "extended readiness" in Ministry of Defence-speak means exactly the reverse. But, in the press conference after the signing of the treaties this week, my right hon. Friend referred to our "carrier". As I understand it, we have not yet decided to sell one of the two carriers, and I hope that we do not. To talk of our "carrier" might be to build an expectation that we shall definitely mothball and almost certainly sell the other one. It is pre-empting a discussion that needs to take place much later, when we can see the economic circumstances of this country and, more importantly, the threats against us.

Two carriers would be a good idea, and no carriers would be a fairly good idea, but one carrier? Surely not. Every time it went into refit would we not prove to the Treasury that we were able to struggle on without it? Furthermore, are we really yet close enough to the French position that we can utterly rely on being allowed to use theirs? The answer is no, not yet. Our deployment to Iraq took place in the last decade. I do not say that we never will be close enough to the French, because I hope and expect that at some stage in the reasonably near future we shall, but it will come about only after a decent length of time operating alongside them, and after the treaties have been given detail, teeth and funding, none of which has yet happened.

How about another idea? How about deciding between the two of our countries that the French will contribute to the cost of the second carrier and, in return, have the right to use it when their carrier is in refit? That would mean that the two countries had three operational carriers between them, which should surely be acceptable. Having said all that, let me repeat that the French treaties are, in the words of "1066 and All That", a "Good Thing".

Of course, it is easy to mock the SDSR: "If only it had not been necessary to scrap the Ark Royal! If only we could have kept on the Harriers! Perhaps we could get by with some inflatable Harriers"—all that sort of jolly joking. However, the consequence of having to find money is that the alternative is to salami-slice all that is left and destroy the fundamental effectiveness of our armed forces in the process.

My right hon. Friend the Secretary of State for Defence has had the courage to take some very difficult decisions. My guess is that in the decision between the Tornadoes and the Harriers, the fact that the Tornadoes have an air-to-ground strike capability was what saved them; we might well need that capability sooner than the Typhoon can provide it, and there must be questions about why that has been delayed for so long. Why did we need to scrap one or the other, the Harrier or Tornado? The cost of the logistics of keeping another

[Mr Arbuthnot]

type in the air is huge—billions of pounds; a billion here and a billion there, and soon we are talking about real money.

The noble Lord West described the decision to scrap the Harrier as "bonkers". That would be easier to accept if, when he was in a position to do something about the bonkers economics of the Ministry of Defence, he had tried to do something to put it right. Instead, he drove forward the carrier decision, which he must have known was unaffordable.

How did all this come about? First, as my hon. Friend the Member for Mid Sussex (Nicholas Soames) set out so convincingly and with such great knowledge in his speech, there is the awful system of perverse incentives inside the Ministry of Defence. I congratulate the noble Lord Hutton on commissioning the Bernard Gray report. Those perverse incentives did not begin under a Labour Government; they have been around for decades, and I must bear some part of the blame for them myself.

Secondly, there is the disgraceful command from No. 10 that before the election there was to be no more money, but also no bad news about base closures or programme cancellations. The former Secretary of State for Defence did his valiant best to try to take some real, hard decisions, but he was thwarted at every step of the way by the Prime Minister of the time and some of his Ministers. In the private words of one of his Ministers at the time, the problems were to be chucked over the fence, into the responsibility of the next Government. I have been Chief Whip, and I am not often shocked. But I was certainly shocked when that remark was reported to me.

I still have considerable concerns about the strategic and defence review. I am very concerned about the gap in vital capability if the Nimrod aircraft go. Like my hon. Friend the Member for Mid Sussex, I am very concerned about the overall size of the fleet, which will be tiny in future; the unquantifiable influence exerted by the Royal Navy when a smart ship sails into a foreign port will be rarer and rarer. For the next 10 years, the strategic defence and security review will rely heavily on our enemies giving us advance warning of an impending attack. The enemy have a vote in all this; let us hope that they are polite enough to do that.

There will be other concerns. Service families watching this debate will fear redundancies, uncertainties and upheaval, having given themselves and made such sacrifice for their country. The same will apply to civil servants, who have also given outstanding service, and to the defence industry, which has done so much to support our defence efforts. All this will have substantial effects on whole communities—for example, in Scotland. We must do our best to mitigate those effects.

Whatever the concerns, one thing is absolutely clear. We have now had the defence review and we must now make it work. In my view, there is only a limited amount to be achieved by blaming the Labour party for the ghastly mess that it left us or the coalition for the hasty and secretive review that it has brought in to put it right. We now have a plan and we must scrutinise it, but we must leave defence on a stronger footing at the end of the process than it is on now. We must make it work for the good of the country.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Hon. Members will have noticed that no time limit has yet been set in this debate. I ask the 14 Members who still wish to participate to show some restraint and consideration for those who will try to catch my eye after they have spoken. We will do our best to ensure that everybody who wants to speak can, but it will not be possible at this rate unless there is some restraint.

2.35 pm

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): I welcome the opportunity to participate in today's debate. Following the precedent set by the hon. Member for Mid Sussex (Nicholas Soames), I pay tribute to those who have paid the supreme sacrifice in our armed forces and who laid down their lives so that today we can have this debate and enjoy the relative degree of freedom that we do. In particular, I am thinking of the soldiers who served in Northern Ireland over a number of decades, and those who lost their lives protecting the community there.

We had a debate yesterday in the House on the Saville inquiry, and there was much criticism of the actions of the Army in Londonderry in 1972—but that must not become the mark of the Army's contribution to Northern Ireland and to the relative degree of peace that we enjoy today. The Army did many valiant things in Northern Ireland, and many people are alive today because of its contribution. I would also say that the Army has learned much from its experience in Northern Ireland. I hope that, whether in Afghanistan or in the other parts of the globe, it can put that experience to good use.

It is a matter of concern that recently the head of MI5 warned that the threat from dissident terrorist groups in Northern Ireland is on the increase. We are discussing today a strategic review not only of defence but of security, and I want to highlight the continuing threat, because not only is it posed in the cities, towns and villages of Northern Ireland but it has the capacity to extend to other parts of the United Kingdom.

Yesterday in the *Belfast Telegraph* there was an interesting interview with some of the so-called leadership of a new dissident group that described itself as Oglaigh na hEireann, which is Irish for the army of Ireland. It is the latest version of the Irish Republican Army, and it draws together disaffected elements from the Provisional IRA, the Real IRA and the Continuity IRA. Significantly, among the new recruits are bomb makers who have developed a capacity to explode bombs in a way that is very dangerous. It concerns me that although, of course, our focus at times is on our role in Afghanistan and on the threat from al-Qaeda and other militant groups, there remains here at home in the United Kingdom a potent threat from such groups. It is estimated that the new group has about 600 members, some of them new but many of them with experience of involvement in terrorism over a number of years.

We should not underestimate that threat. I do not want to give the group a status that it does not deserve, but the reality is that the Police Service of Northern Ireland has been reduced from 14,000 officers at its peak during the troubles to the current level of just

7,000, who alone have to deal with that terrorist threat, supported by the security services but without the support of the Army.

Bob Stewart: I am worried by the right hon. Gentleman's comment that there might be 600 people in a new terrorist organisation in Northern Ireland. That is a significantly large terrorist group, particularly if substantial numbers are active. That worries me a great deal. Is he absolutely certain that it is anything like as large as that? If it is, that is a big worry.

Mr Donaldson: I thank the hon. Gentleman for his intervention, and for the contribution that he made while serving in the Army in Northern Ireland. I know that he experienced some terrible events that occurred during his time there. The figures that I quote come from the security services and from the Police Service of Northern Ireland; they are not something that politicians have dreamed up for the purposes of scaremongering. I do not share these remarks with the House to scaremonger, but merely to say that, in the context of our strategic review, we must keep an eye on a growing internal threat in the United Kingdom that may have consequences for the capacity of the PSNI to cope with it alone without the support at least of specialist assistance from our armed forces. We still have that capacity based in Northern Ireland, and it may be more needed than was envisaged when Operation Banner drew to an end just a few short years ago.

At the end of Operation Banner—as the former Defence Secretary, the right hon. Member for Coventry North East (Mr Ainsworth), will recall—commitments were given at a political level that a significant garrison would be retained in Northern Ireland. It therefore concerns me that there is talk of 19 Light Brigade, who are headquartered in Thiepval barracks in Lisburn in my constituency, being transferred back to the mainland. Similarly, there is talk of 2 Rifles, who are part of 19 Light Brigade and based at Ballykinler in County Down, and who recently served with distinction and great loss in Afghanistan, being transferred back to the mainland, with Ballykinler no longer being used as part of the garrison establishment in Northern Ireland, although its ranges and specialist training facilities would still be available to the Army.

This causes concern to us in Northern Ireland, as we very much value the presence of the Army in our part of the United Kingdom. Although we still have 38 (Irish) Brigade headquartered at Thiepval barracks, the presence of 19 Light Brigade has been important; they have done some valuable work with the local community. I would be worried if there were a move to transfer the brigade headquarters away from Lisburn back to the mainland. When the Prime Minister made his statement to the House on the SDSR, I sought an assurance from him that the cuts in troop numbers would not result in a reduction in the size of our front-line infantry units, and he gave that assurance. At the moment, 1 Royal Irish and the Irish Guards are deployed in Afghanistan, currently on operational duty in Helmand.

We in Northern Ireland are very proud of our long and historical tradition. It may not go back 800 years, but it certainly goes back over many hundreds of years. There is a tradition of Northern Irish men and women serving in our armed forces. Someone mentioned the Duke of Wellington, who is only one of many I could mention. Montgomery, and others of Northern Irish extraction, have made major contributions to our armed forces. We want to ensure that that tradition will continue and be respected. If I may be so bold as to speak for absent Members from Scotland and Wales, the regional contribution of Northern Ireland, Scotland and Wales to our armed forces at all levels is to be valued. That is true not just of the units that originate from those regions but of members of all units at every level of our armed forces. They are members of the British Army and proud of the British tradition as well as of their regional identity. I hope that those identities will be respected as the SDSR is taken forward.

I support the remarks of the hon. Member for Mid Sussex (Nicholas Soames) about the review of the reserves. I hope that the thrust of that review will be to strengthen the role of the reserve forces within our armed forces. He made some valuable comments in support of that move, which would bring the UK into line with other countries where the reserve forces play a greater role.

For the record, some 24,000 reservists have been mobilised on or in support of military operations since 2003, which is quite a remarkable contribution. To make the greatest contribution to our armed forces, the reserves need to be properly structured for future conflicts. That will make the best use of their skills, experience and capabilities, while at the same time moving us towards a more efficient structure. I understand that as we are having this debate, some 929 reservist personnel are on current operational duties. We wish each of them well. Their contribution is valued, and we want it to be strengthened because they have skills and specialisms that can provide valuable input into what our armed forces are doing.

The concept of conflict prevention, which is mentioned in the national security documents that have been published, is important in the context of the SDSR. If we are to have a smaller military capacity in future, we want to ensure, with our international partners, that the prospect of conflict developing is diminished as best it can be. In recent years, in the light of our experience in Northern Ireland, I have had the honour of working with people in many parts of the globe who are facing conflict. We have sought to use the benefit of our experience to help them avoid conflict or resolve it where it occurs. Just two weeks ago I spent some time in Cyprus talking to people from the north and south of the island about the situation there and the need for a political settlement. We have worked with people from the Iraqi Parliament, from Moldova, from Kosovo, from the Basque region in Spain and so on.

The UK has an important role to play in conflict prevention. Despite all that has happened in the past, it is still very much respected, and in many respects we can give a lead to the international community by working with others to prevent conflict where possible. I received an invitation recently to attend an event here in Parliament on the situation that is developing in Burundi, and I have discussed other countries where there are early warning signs of the risk of conflict.

Rehman Chishti (Gillingham and Rainham) (Con): The right hon. Gentleman makes a very important point. Does he agree that the UK is playing a key role in bringing stability and infrastructure through the Friends of Yemen group and the Democratic Friends of Pakistan?

Mr Donaldson: I thank the hon. Gentleman for his intervention, and he is absolutely right. I also support what has been said about the BBC World Service, which is another valuable contribution made by the UK. Addressing conflict issues is about much more than just our military capacity; it is about what we can do to help people who find themselves in conflict or potential conflict situations, and the BBC World Service is an important component in that.

The UK can make a valuable contribution to conflict prevention, and I hope that we will be able to draw on our experiences around the globe, including in Northern Ireland. I hope that we will be able to draw on our experience of conflict to make a contribution to conflict prevention.

My colleagues and I welcome the publication of the SDSR. I am not one of those who criticises the fact that it contains a number of other reviews that need to be taken forward. I support what the Defence Committee Chairman, whom I am privileged to serve under, said about moving in haste. It was right that we took a little more time in the SDSR to look in more detail at reserve forces and other key elements, to have a more focused review and to make proposals. I welcome this debate, and my colleagues and I will continue to make a contribution as the debate goes forward.

2.51 pm

Mr Edward Leigh (Gainsborough) (Con): The right hon. Member for Lagan Valley (Mr Donaldson) made an important point about the potential threat in Northern Ireland. He underlined much of what I will say, in that we simply cannot rely on events panning out in a certain way. In Northern Ireland in the mid-1960s, for instance, we could never have foreseen that events would start deteriorating very quickly in the late 1960s.

In a way, I feel that I am going full circle. Forty years ago, when I first got involved in politics, one of the things that propelled me into politics and away from the Royal Navy university cadetship that I had at the time was the debate about the Royal Navy, the then Labour Government cutting the number of aircraft carriers and the resignation of the Navy Minister. In the early 1980s, I started working with my hon. Friend the Member for New Forest East (Dr Lewis), who, by the way, would have liked to have taken part in the debate but for attending a funeral. He is one of our foremost thinkers on defence, and we set up the Coalition for Peace through Security.

At the time, a fierce debate was raging about the Royal Navy. Keith Speed resigned as Navy Minister because he felt that the Navy was under threat. At the time, it had 66 destroyers and frigates. Within a year of his resigning, the utterly unexpected happened—the Falklands were invaded and we needed no fewer than 23 frigates and destroyers to retake them. By the way, this very day, Cristina Kirchner, the President of Argentina, has pledged an "eternal fight" for the Malvinas. It is extremely dangerous, therefore, to assume that we will see a particular scenario over the next 10 years.

I very much admire my hon. Friend the Member for Louth and Horncastle (Sir Peter Tapsell), who is the Father of the House. He gave an important speech to the 1922 committee last week. Such speeches are supposed to be private, and I will not, of course repeat it. However, I want to repeat just one interesting point that he made—it is so good, I cannot resist the temptation. He said that when he left the employment of Anthony Eden many years ago, Eden gave him a framed copy of the Locarno treaty. The treaty represented the high point of the belief between the wars that peace was assured. Of course, we all know that it was not.

There was a disastrous tendency between the two world wars to believe in what was called the 10-year rule, which assumed that there would be no war for another 10 years. In the 1930s, Lord Hankey criticised the 10-year rule, to which we are apparently returning. He asked who could have foreseen in the spring of 1914 that the world would be convulsed by a world war within a couple of months. If we look back at history, it is clear that any 10-year rule or academic scenario that suggests that we do not need the aircraft carriers for 10 years is extremely dangerous. I am therefore very dubious of any confident statements on how the world will look in five, seven, eight or 10 years' time.

We are, after all, a maritime nation. I agree that for many periods in our history, the Army has been neglected, but never the Royal Navy. Throughout the 18th and 19th centuries and in the early part of the 20th century, it was considered essential as a maritime nation dependent entirely on trade—as we still are—to maintain a significant Royal Navy. I echo some of the comments that have been made on Royal Navy planning. We will be left with just 19 serious major ships, and we are hugely dependent on them. We will need to deploy large numbers of them to protect the aircraft carrier—or carriers—and we should be extremely concerned about that situation.

Mr Denis MacShane (Rotherham) (Lab): Is the hon. Gentleman aware of the great worries in Asia? Japan has 4,000 islands, many of which are vulnerable, especially to China. There are concerns elsewhere about the fact that China, which has said it is interested only in territorial self-defence, is now building three aircraft carriers, and fourth and fifth generation aircraft-based attack vehicles, and looking for naval bases in the Indian ocean. Britain and Europe disarming themselves and leaving everything to the United States sends a very worrying message in relation to possible future nationalist adventurism in that part of the world.

Mr Leigh: I entirely agree with that.

Again, we should look to history. Had Spain declared war on us in 1940, we probably would have lost Gibraltar and the second world war. It did not declare war because it was deterred by the existence of the Royal Navy—Franco knew that it would immediately take the Canary Islands. Of course, Spain is now a friend and a member of the European Union, and there is no likelihood that the Spanish will ever declare war on us or seek to take Gibraltar by force.

Incidentally, following directly on from that, Spain now has two carriers with Harriers, as does Italy; the USA has 11 carriers; and India, Thailand and Brazil each have one carrier with Harriers. With this review, we have unilaterally destroyed our carrier capability for 10 years. That is unilateral disarmament, and I am extremely concerned about it.

I am also concerned about the decision on Nimrod. There has been a lot of talk about the cost, but very little about how we will maintain that capability, although

the Secretary of State referred to that today. I was under the impression that we needed Nimrod as an early-warning surveillance system, particularly to protect our nuclear submarines, and particularly as they are returning to base. Some assurances were given to us today. I know that the Secretary of State cannot go into any great details because such matters are sensitive, but the House is entitled to ask why Nimrod was developed for all those years. Why is it suddenly considered necessary to cancel it just because of its cost?

Mr Kevan Jones (North Durham) (Lab): I accept the sensitivities regarding what we use Nimrod for, but does the hon. Gentleman agree that if we take any capability out, we must either bin it altogether and not task it, or replace it?

Mr Leigh: Exactly. I know that parliamentary questions have been asked, but the House must tease out more information on maintaining early-warning capability. I know that this is not an exact historical comparison, but if someone had said in 1938, "Oh, this radar programme that we are deploying on the south coast is terribly expensive. We've wasted enormous sums of money on it and there are all sorts of pressures on our budget, so we should get rid of it," we simply would have lost the second world war. I know that that is not an exact comparison, but we should always be aware of the lessons of history. In defence, whether we are talking about Northern Ireland or piracy, we simply cannot rely on the same situation existing in eight or nine years as exists now.

I am also extremely worried about the decision on Trident. The decision not to push through the main gate on Trident before the next general election is very dangerous indeed, because I believe that it was taken for fundamental political, not military, reasons, and because of the possible result of the next general election. What happens if the Labour and Conservative parties are level pegging, and there is a bargaining situation, as we had this year? I am confident that my right hon. Friend the Prime Minister would not be prepared to enter into a coalition with the Liberals if the price was getting rid of Trident, but can we be so confident about the Labour party? The former Secretary of State, the right hon. Member for Coventry North East (Mr Ainsworth), whom we all greatly admire for his time in office, made a significant intervention when he said, "Well, now that Trident's been put on the backburner, perhaps we should reconsider; perhaps there are cheaper options. It will be five years in advance." So the political decision to delay Trident is worrying and dangerous.

I do not say that as someone who is fanatically in favour of Trident. I managed to blot my copy book with the Conservative parliamentary party as soon as I arrived in the House—I have succeeded in doing it again and again ever since—when I and my hon. Friend the then Member for Wells tabled an early-day motion questioning whether there were not cheaper alternatives to a ballistic missile system, and suggesting that we could consider cruise missiles off nuclear-powered submarines. My right hon. Friend the then Prime Minister was none too pleased with both of us. So I have always been sceptical about maintaining ballistic missile systems in a post-cold war age, and more and more people like that will be coming out of the woodwork the longer we delay main gate.

Some have said, "If a future Labour Government wanted to cancel Trident, they would cancel it anyway, whether it had been through main gate or not", but why have we not cancelled the carriers? It is because the admirals were determined to force them through main gate before the election, knowing that after it, there would be enormous political and financial pressure to cancel them. If, therefore, Trident has not gone through main gate before the next general election, it will be thrown immediately into the political mix and it will be much easier to cancel it. I have noticed that the president of the Liberal Democrats, who has been quoted in the *Evening Standard*, has been crowing that they have achieved a major political victory in delaying Trident. So as much as I love my coalition partners, we should be aware of what could happen in the future.

My right hon. Friend the Member for North East Hampshire (Mr Arbuthnot) has done a wonderful job as Chair of the Defence Committee—he is shaping up to be a superb Chair—in questioning the decision on the future shape of the carrier fleet. I am not a Francosceptic; I am a huge Francophile. Both my parents were brought up in France, I went to a French school, and I speak French, so I am all in favour of every kind of co-operation with the French—

Alun Cairns (Vale of Glamorgan) (Con): But?

Mr Leigh: But, indeed. Hon. Members and the public are right to be wary about such co-operation. The public do not really understand—and why should they?—a lot of these details about joint strike fighters, Typhoons and Tornadoes. However, they can visualise aircraft carriers without aircraft, and they can visualise sharing an aircraft carrier with the French, and they do not like it—and they are wise not to like it. We all know what would have happened had we been sharing an aircraft carrier with the French during the Falklands war or the Iraq war. We simply cannot foresee—

Mr MacShane *rose—*

Mr Leigh: Oh dear! I am sorry. Perhaps I should not have been saying this, because I have forced the right hon. Gentleman to his feet.

Mr MacShane: I want only to make the point that when the Falklands were invaded, the then US ambassador to the UN, Jeane Kirkpatrick, supported Argentina to begin with, but the first call that Mrs Thatcher got that Saturday morning was from Francois Mitterand, pledging support and revealing all the secrets of the Exocet and the Super Etendard. There are many differences between us and the French, but on the Falkland Islands, they were with us, and to begin with the United States was not. That should be put on the record.

Mr Leigh: Fine, but we must remember, I am afraid, that it was a French Exocet that sank HMS Sheffield. I do not doubt for a moment that it is a wonderful idea to have increased co-operation with the French on procurement and to work together more closely, but on this basis it is an extremely dangerous decision. My right hon. Friend the Member for North East Hampshire was right. There is no way in this debate that we can change the decision on the Ark Royal, the Harriers or Nimrod, and I do not think that I will still be in this

[Mr Leigh]

Chamber when the two aircraft carriers retire, because I will be about 120. However, for the next 10 years, we can together mount a campaign. Its nature must be clear: that we would make ourselves ridiculous, as one of the world's greatest maritime nations, if we built the greatest and most powerful ships we have ever constructed and then sold one of them to India, Brazil or elsewhere.

As my right hon. Friend said, extended readiness is not good enough. Our commitment, as with Trident, must be that at all times an aircraft carrier will be available. That means that we must keep our two aircraft carriers and ensure that when one goes in for a refit, the other is available. We remember how long the refit of Ark Royal took and its cost. The refits of the new class of aircraft carriers will take even longer and be even more costly.

Bob Russell (Colchester) (LD): The Deputy Speaker said that many Members want to speak, and the hon. Gentleman has been rabbiting on for about 15 minutes. Can he please wrap it up so that others may get in?

Mr Leigh: That intervention was extremely discourteous, especially as Liberal Democrat Members have not attended most of the debate, and I was coming to the end of my remarks.

Mr MacShane: Keep going.

Mr Leigh: No, I will not keep going, because others want to speak, particularly my hon. Friend the Member for Portsmouth North (Penny Mordaunt), who no doubt has an important speech to make.

We are entitled to speak up about our concerns for the future of the Royal Navy, bearing in mind that we are a maritime and trading nation, and we must continue the campaign for the future to ensure that we have a strong and viable Royal Navy that can protect this nation, as it has done for centuries.

3.7 pm

Mr Dai Havard (Merthyr Tydfil and Rhymney) (Lab): The word "strategic" is in the title of the document, but we have heard several examples of how it is not a clearly formed strategy at the moment. At the end of his thoughtful speech, the Chairman of the Select Committee, the right hon. Member for North East Hampshire (Mr Arbuthnot), explained where we are now and said we needed to form a clear, strategic view of where we will be in future, and that is a job that we must all do.

The debate has been a little deficient—this is understandable because we are considering the matter from the point of view of defence—for the reason that the right hon. Member for Lagan Valley (Mr Donaldson) gave. The review is supposed to be about defence and security—that is what the annunciator screens say—but the security part is clearly deficient. The document on the national strategy from the National Security Council is all very well as far as it goes, but it is not clear to me where our foreign policy is in this debate; nor do I think it is clear where the home services stand in terms of the Home Office, policing and so on.

Some of the points made by the hon. Gentleman are telling. The only way to deal with the problems is not with large toys and pieces of kit, but with good old-fashioned police work and intelligence. There must be correct mixture of capability, including people as well as machinery. The cross-governmental aspect of the review was encouraging. In the Defence Committee during the last Parliament, I said that we were in effect already having a defence review, but in an ad hoc and unguided way that was not very helpful or useful. It should have been put into a proper structure much earlier. That is the missed opportunity because the review does not cover the whole of the subject in the title—strategic defence, including security.

There are many parts to the review. I echo some of the points that have been made about Trident. As I said back in July, we cannot take Trident out; well, we could formally, descriptively and all of that, but in reality we cannot, so it was all nonsense. Whether that was said for political reasons to do with the coalition partners is for history to show. There is probably a lot of power in those arguments, but the reality is that it was nonsense to try to proceed in that way.

The other thing that disturbs me is that some parts of the review have not been mentioned today. The lack of clarity about a defence industrial strategy is hugely important. I know that there will be a Green Paper, apparently by the end of this year. It is now November the something-or-other, so I do not know what is meant by the end of this year. I must tell the Minister that I hope we see the Green Paper before the recess comes; otherwise we will have no opportunity to consider it. Apparently there will be a White Paper some time next year, and then something beyond that. What key capabilities are we going to focus on? What direction are we giving to industry? Where is the strategy? Where is the plan? It is not there. We have to form it, and it is to the benefit of us all that we do so.

There is also the reform group—or whatever it is called—that has been set up to transform the Ministry of Defence. We had the reform acquisition strategy before the election. I wrote all this down so that I would not get it wrong, but at that time the Ministry of Defence said, "Well, don't worry about it, because we're transforming ourselves. We have the PACE programme"—performance, agility, confidence and efficiency—"the defence acquisition 'Terms of business agreement' process, the equipment and support plan, the acquisition operating framework, and the capability delivery practitioners guide." We were told that the MOD had lots of other things, doubtless all recommended by a legion of consultants of various sorts—not medical consultants, but business consultants—about internal process. That methodology will clearly be part of the MOD's review.

A number of reviews have been mentioned in other respects. The points that have been made today about force generation are important. I attended part of the presentation by the Marines about how they do things. They give clear costings, and they were not shy about saying what things cost them or how much time they took. The hon. Member for Mid Sussex (Nicholas Soames) made an excellent contribution to the debate about what needs to happen with MOD processes. However, as all that unfolds and we do the work, my concern is where we are in that process. Who even is this "we"? What I have seen so far is a process that went

forward over the summer, but which did not really involve the public or Parliament, as the right hon. Member for North East Hampshire said. In fact, there was a very narrow discussion among a narrow group of people, and it was therefore not as well informed as it should have been.

Scrutiny and involvement in the process are important, as is transparency. There was a review of Trident. Apparently something came out of the end of that review, but I have no real idea what process was used or what the results were. We need to understand better what is going to happen in that process if we are to end up with a better strategic review, which can serve as the overarching architecture, as the hon. Member for Mid Sussex put it. The review may well be the framework for that debate, but it is not the debate itself, nor is it the end product, and to that degree it is deficient.

I shall finish now, because I know that the hon. Member for Colchester (Bob Russell), who is carrying the entire weight of the Liberal party today, needs to speak.

Mr Kevan Jones: He makes the same speech every time.

Mr Havard: Yes, but he is the only one here to make it.

There are issues to do with particular aspects of the review. I have concerns, partly because my local economy is affected, but the decision on St Athan and the training there is worrying. It is particularly worrying because, as the Chancellor and others have said, one way or another we have to find different ways of paying. We are talking about a private finance initiative. I have to say that I am not the greatest supporter of private finance initiatives in general, but what has happened prompts the question: why, having gone through a due diligence process pretty recently, was the facility not thought to be good enough? We now have a decision that that is not going to happen, but what is going to happen? All we have now is a vague declaration that something else will happen. The big question is about the training. It is about the people, and it is important that this aspect should not be lost in the review, with all the discussions about large pieces of equipment.

I could say a few words about the carriers, which we discussed on a number of occasions in the Defence Committee during the last Parliament. At one point, there was talk about having three carriers—my hon. Friend the Member for Glasgow South West (Mr Davidson) would like to hear this, but he is not in his place—but that was on the basis of having two British carriers, with the French perhaps buying one off us and our making it for them with their Slingshot deck on it. All these discussions were going on, so this is not an entirely new argument, although it is new in some respects.

I thought a remark in yesterday's edition of the *Financial Times* was prescient. It pointed out that if the Ministry of Defence gains the savings it declares it is going to get, it would be a good thing if they went back to the MOD, and did not just get lost in the coffers. If there is a dividend, the MOD should have it, not the Treasury.

Mr Jones: One issue raised by the treaty is whether markets, including the French defence market, would be opened up to British companies. Given my hon. Friend's long membership of the Defence Committee and his close interest in defence matters, does he recollect whether the French have ever bought anything that does not have a main French component to it?

Mr Havard: I may be old, but no—that is the short answer, and it might go back longer than me. The French have a particular view about their sovereign capability, so my hon. Friend raises an interesting issue. The Defence Committee was asked to consider the trade treaty with the United States, and did some pre-work before it was agreed. The Americans have only just agreed to the treaty—it took them three years to ratify it. Included in it was important stuff related to technology transfer and the joint strike fighter. Yes, some other nations take a very parochial view: they claim to be free traders, but they often behave in a very—how can I put this? —protectionist fashion. That balance is always there. What comes out of it, I do not know. It will be interesting to find out what lies behind some of the declarations and whether it will change that form of acquisition.

I have a few small questions for the Minister. One is about helicopters and search and rescue. This may be a small aspect of defence, but it is very important, particularly in Wales, because we have to spend a lot of time calling people from Culdrose to come and rescue mostly English people off Welsh hills. In that sense, people in England have an interest in what happens in Wales as much as Welsh people do. It gives rise to a question about particular capabilities within the review. This service is under review and there are lots of individual programmes on which we need more clarity.

Some of the decisions are about timing. It is all very well saying we will have a defence review every five years. Let me tell Government Members that they will have an iteration in 2012 and another in 2014—whether they like it or not. That is because there will be political change in Afghanistan, and there is already political change going on in America. They should not try to pretend that this will work on some prescribed artificial timetable that might seem desirable today, because it will not. Events, dear boy, events—and some of those events are largely predictable because of watersheds in the political timetable set for us elsewhere as well as here. I hope that whatever the review going forward will be—in all its different component parts—it will be open. I hope that Parliament will be directly involved in the process.

3.19 pm

Dr Andrew Murrison (South West Wiltshire) (Con): Let me first declare my interest, which is set out in the Register of Members' Financial Interests.

It is a great pleasure to follow the hon. Member for Merthyr Tydfil and Rhymney (Mr Havard), and I am really pleased that he has rejoined the Defence Select Committee, which, under the chairmanship of my right hon. Friend the Member for North East Hampshire (Mr Arbuthnot), has an extremely impressive membership. I know that the Committee will do a great job in holding the Government to account, which is indeed its function.

The first duty of the state is to defend national security and the national interest. Even in today's defence debate, we have to admit that the chief threat to this

[Dr Andrew Murrison]

country is not military at all, but economic. It is, of course, against that backdrop that we have had the strategic defence and security review.

I might be accused of being sycophantic, but I will say this nevertheless. I think that my right hon. Friend the Secretary of State has done a first-rate job in marrying our need to ensure that the country returns to an even keel economically with the ongoing need to ensure that we prepare for all foreseeable threats to the country, particularly in a world that is ever-changing.

Much has been said about aircraft carriers, which are close to my heart. I spent 18 years in the Navy, and developed a healthy respect for them during that time. During most of my career, the Harrier jump jet took off and landed on aircraft carriers. It must be said that they were rather short. I think we should bear in mind that, while STOVL—short take-off and vertical landing—has many virtues, its chief virtue is as an expedient for countries that have short aircraft carriers. I listened with interest to the remarks of the former Secretary of State for Defence, the right hon. Member for Coventry North East (Mr Ainsworth), and noted his concern that we should be able to land on small plots of land. Nevertheless, the chief virtue of the aircraft carriers is connected with the fact that for several years—indeed, for decades—we had to make do with carriers that were smaller and more economical than we might have liked.

We are now to have two impressive aircraft carriers, which will be larger than the Charles de Gaulle. Their size will approach that of some of the largest ships in the American fleet that we admire so much. It is absolutely right for us to have craft that are fitted out to accommodate the naval forces of our two greatest allies, the United States and France, and I welcome the fitting of the "cats and traps", which will provide us with that interoperability.

It strikes me as bizarre that the previous Government should have ignored the obvious desire and need for aircraft from those two nations to use our aircraft carriers, whether or not there is a formal arrangement with France to share one of them, and I am exceptionally pleased that we will now be able to do that. I congratulate my right hon. Friend the Defence Secretary on the important work he has done, both in opposition and in government, to strengthen the links with France. It is quite wrong to say that that has happened since May. As one who was on the Defence Front Bench until recently, I know that it was a recurring theme throughout my three years there. We have a great deal in common with our neighbour, and it is not just about our willingness to pay for a defence umbrella under which others in Europe are content to shelter. Both countries, while slipping down the league table of global significance as others rise, have residual interests overseas, although France, of course, has rather more than the United Kingdom.

I congratulate the Government on resisting the temptation to close some of our remaining overseas assets. In particular, our removal from the sovereign base areas in Cyprus would have been most unwise, given the strategic situation. Akrotiri and Dhekelia offer a combination of barracks, training areas, an airfield and a seaport that is peerless, not to mention other assets in the Troodos mountains that are beyond the scope of the debate. Those of us who have had the pleasure of serving in Cyprus will attest to its importance, and to the totemic significance of any east-of-Nicosia moment that the Defence Secretary may have been forced at least to contemplate.

Inevitably, much has been said today about bombs and bullets, but I must confess that my interest is now, and has always been, in our military software, by which I mean the men and women of our armed forces. Tempting though it is for policy makers to become obsessed with equipment, not least when there are jobs and constituency interests to be considered, we must always bear in mind the greatest single factor: the bloke with the gun or, increasingly, the metal detector on the front line. I think that the SDSR has done that.

Importantly, the White Paper makes it clear that an armed forces covenant will be formalised, and I imagine that that codification will feature prominently in the Armed Forces Bill. The military covenant made its debut in April 2000 in a rather dusty Army publication, "Army Doctrine Publication Volume 5"—a snappy title! We can, however, find examples of such a covenant going back to ancient Greece. It was certainly considered in Roman Britain too, with the distribution of bits of land to those who had served in the Roman army, and it continued to the reign of Elizabeth I, who formally codified a system of pensions for those who had been disabled in action. Ironically, it rather fell apart during Cromwell's military Protectorate, but it has been an unspoken theme of service throughout our history.

Whether or not the author of the military covenant knew it, it was at the extreme end of the spectrum of psychological contracts identified by Harry Levinson in 1962, following his study of the Midlands Utilities Company in the American midwest. The point about such contracts is that they are unspoken and unwritten. In an age of lawyers, that has a certain appeal. We are now considering codifying the military covenant and putting it in writing so that people will be able to rely on it as of right, and potentially, of course, in a court of law.

If we are rather reluctant to go down that route, we must consider the developments of the early 1990s. Many of us will recall NMS—the new management strategy—and the new managerialism introduced into the Ministry of Defence, and the impact that had on the relationship between leaders and led. Commanding officers morphed into budget holders and military units into cost centres. The relationship between commanding officers and those they commanded was subtly changed. In that context, it is right and proper that we should look at articulating the psychological contract of the military covenant in statute. I look forward to seeing the form in which it is introduced in the forthcoming armed forces Bill.

The insurgents in Afghanistan have proved capable of being flexible in their tactics. The Taliban lost, as they were bound to, in the head-to-head early conflict in Helmand and Kandahar. They then shifted to the use of IEDs, and that proved very successful, as all of us will know who have spent time in Birmingham and at Headley Court and who represent constituencies with a military element. The Taliban's tactics are now changing once again. They are developing their own brand of Sharpe's Rifles, chosen men who are rather less appealing even than the men of the South Essex.

It is worth bearing in mind the threat that still exists, and is likely to continue to exist, from IEDs. They are a mortal threat to our men and women and a bitter fact of life for the civilian population. I know that the Government have taken a real interest in this and that the Prime Minister has taken the trouble to familiarise himself with the workings of the Vallon metal detector that is currently used by our troops.

I am pleased to note that a contract has now been let to improve the collective counter-IED training of our troops, especially as it has been let to a firm in my constituency. We have a digital record of aptitude and performance in training, and it has been shown to be extremely variable. Will the Minister ensure that the value of that highly granular information is exploited further so as to allow us to assess post-deployment how effective the new training has been, and perhaps refine it further? Will the Minister also say what further personal protective equipment our troops are to have to reduce the toll taken by IEDs?

For servicemen with children there are few issues of greater concern than education, and that is rightly cited in the White Paper. The Department for Education has been consulting on a pupil premium for service children. There is no doubt that schools with substantial numbers of service children are at a distinct disadvantage because of the extra costs involved in their education. I would cite the New Close primary school and the Avenue school in Warminster as prime examples of that. If we are serious about the concept of "no disadvantage" from military service, we must ensure that the extra costs relating to service children are properly reflected in the funding formula.

I have an abiding interest in military health care, so I am very pleased to see a substantial reflection in the White Paper of the importance of doing more. I am particularly keen to see improvements in military mental health care, and I very much welcome the fact that that is cited specifically in the White Paper. However, it is important that we bear in mind that it is not just about combat stress and post-traumatic stress disorder, and that we need to look more widely at mental health issues, including those relating to service families and issues such as alcoholism and the overuse of alcohol, depression and so on.

It is important that we are far more proactive in dealing with combat stress, because most people, including the general public, would accept that of all those conditions the ones that the military has a direct hand in causing need to be addressed as a priority. Although, numerically, the incidence of PTSD—combat stress—might not be vast in the great scheme of things, men and women experience it by virtue of their exposure on the front line, so if we are serious about the military covenant, we must do our utmost to reduce the chances of it occurring in the first place and to manage it when it does. The key to that is being proactive and ensuring that we look for people with problems before they wait, often for many years, before seeking out medical attention. It is important to go where young men and women are if we want to find out whether they are having problems and to signpost services where they are available—and that means going online.

I very much welcome the extra mental health professionals whom the Government have announced they will recruit to improve mental health care for this community. I also welcome the prospect of a veterans' information service, by which we will inform veterans, after they have left, of the services available to them, and not simply cut them free and let them go, as we have done in the past.

Mr Havard: I know of the hon. Gentleman's particular interest in medical services and mental health. He will be aware that the British Medical Association has made suggestions on improving general practitioners' understanding about the medical treatment of those who have served. Does he have a view about that?

Dr Murrison: Yes, I do. I commend the BMA for its efforts, as I do the Royal College of General Practitioners, which has recently put out a leaflet trying to apprise GPs of the problems that may be faced by patients who have served in the military. That is not an easy task. Most GPs are faced daily with a whole pile of stuff and will jettison most of it, so getting the message across to them is extremely difficult, given that a relatively small number of their patients will have served and may have a problem as a result of their service. That is not to say that we must not do what we can to raise the prominence of this issue.

In conclusion, may I say how much I welcome the emphasis in the White Paper on the military covenant? It is essential that we try to codify it in some way, and I look forward to it becoming a far more prominent part of the way in which we think about the service community and veterans in the future.

3.33 pm

Mrs Madeleine Moon (Bridgend) (Lab): As we approach the defence and security review and discuss how we are going to ensure our future defence and security, one thing that we must be very conscious of is the fact that this is not just the responsibility of our military. My father was in the merchant navy in the last war and was on a merchant vessel going to Russia. His ship was sunk by German submarines and he then spent considerable time in Russia, suffering extreme privations as a result of that sinking. That might be one reason why I am interested in maritime security.

Another reason might be my coastal constituency, and the fact that my friends and neighbours are involved in search and rescue operations on a daily basis. Seeing how the mood of the sea changes is part of our daily life. I do not have any military bases in my constituency, but there are hopes that it will play a key part in the future development of RAF St Athan and the joint training college that was to be established there. My local authority spent a considerable amount of money preparing for that, and still hopes that something positive will come of it. As a member of the Defence Committee, I am aware of the central strategic role of the Royal Air Force in intelligence, surveillance, target acquisition and reconnaissance capability. My colleague on the Committee, the hon. Member for Beckenham (Bob Stewart), has mentioned the importance of intelligence in any future war, and the RAF and ISTAR are certainly critical to that.

I want to focus on the unbelievable, short-sighted and downright dangerous decision to cut the Nimrod aircraft. I cannot believe that the decision came from the Ministry of Defence: it must have been a Treasury-led decision, because only a bean counter could have made it. I honestly cannot see why else it would have been made.

[Mrs Madeleine Moon]

Last Sunday I was at Rest bay in my constituency, where people had come from across south Wales, as well as from north Somerset and north Devon, because of the proposed loss of the search and rescue capability at Chivenor, which rescues people across those areas. We do not know what is happening in that regard and I urge that we should consider seriously our search and rescue capability, particularly on our coasts and for our mountains. That Sunday gathering was attended by experts in the field. I spoke to Phil Missen from the Royal National Lifeboat Institution and Ian Coles from the Maritime and Coastguard Agency, both of whom expressed concern about Nimrod being cut.

Back in my office, when I was preparing this speech, I had my own little personal cyber-attack. As I was typing away, I received an e-mail in my inbox from Michael Hiscocks in my constituency. It said:

"With the cancellation of the Nimrod, how does the RAF intend to conduct long range surveillance of the sea, not only against the submarine and surface threat, but also long range search and rescue that the Nimrods and her crews so ably carried out over the years?"

That one paragraph written by a member of the public in an e-mail to a member of the Defence Committee, who happens to be their constituency MP, asks the major question that must be dealt with in today's debate.

In his leaked letter to the Prime Minister, the Secretary of State for Defence made it clear that the primary objective of the strategic defence and security review is to set direction, and that decisions should be based on the risks and threats to the security of our country now and in future. He made it clear that the review should not merely be a cost-cutting exercise, and said that the primary duty of the Government and the SDSR was not to undermine the UK's ability to defend itself. He also said—I am sorry that he is not here now—that the Government's words would be "thrown back" at them. Well, I am going to throw some words back at him today for getting things wrong. I do so despite the huge respect I have for him, as he has done an excellent job so far. However, we in the House must support him in getting the decision about the Nimrod MRA4 changed.

The Nimrod MRA4 has several key functions. It forms part of military operations, is an advanced reconnaissance tool, helps to ensure the safety of civil national infrastructure, assists in maritime search and rescue operations, and assists in the defence of our dependent territories. The Secretary of State also said:

"Deletion of the Nimrod MR4 will limit our ability to deploy maritime forces rapidly into high-threat areas, increase the risk to the Deterrent, compromise maritime CT (counter terrorism), remove long range search and rescue, and delete one element of our Falklands reinforcement plan."

So, we all agree: the cancellation of the Nimrod has left the UK with a grave gap in its maritime patrol capability.

As a maritime nation—and we do remain a maritime nation—monitoring and defending our sea is a critical element in the maintenance of our security. The Nimrod's maritime reconnaissance capability was to have protected our nuclear deterrent, our nation's ultimate defence, and supported royal naval vessels and submarines in our waters and way beyond. The Nimrods were to have fulfilled a hugely important civil role, providing 24/7 search and rescue services for seafarers, as well as defending vital national infrastructure. Our nuclear power stations and our North sea oil rigs would have all been defended thanks to the Nimrod.

We have talked about working closely with our allies to ensure that we have access to the equipment, training and personnel that we need as a necessary part of our defence, but we cannot rely on our allies to pick up on the capabilities that we will lose by not bringing the Nimrod aircraft into service. The Nimrod MRA4 has far greater capabilities than the aircraft that our allies either use now or have planned for the near future. It has world-leading anti-submarine warfare technology—a particular strength in the UK. We have that strength because of our history, and because submarines carry a vital part of our national security. So there we are: submarines carry the most vital part of our national security, and we are going to scrap the means of protecting them.

Mr Havard: Is my hon. Friend aware of the press reports that Ministers are trying to sell on the Nimrod's capability to someone else? Does she have any comments to make about that prospect?

Mrs Moon: It worries me that our defence capability is up for sale. We are selling off some of our defence industry's crown jewels, and selling on to potential enemies—we do not know where they will be—those capabilities at a time when we are in desperate need. I totally object to that, because anti-submarine warfare is not a relic of the cold war. If we are to protect our aircraft carriers when they are deployed in high-risk areas, who will provide the air cover? We recently lost track of a Russian submarine in the Atlantic for three weeks. We cannot rely on allies who are comparatively poorly resourced, or hope that they will buy the Nimrods, save us the money and provide us with the security.

The Nimrod's civil use must be emphasised, too. Let us look at the history of its search and rescue capability. When the Fastnet yacht race was hit by storms in 1979, and when the Alexander Kielland oil rig overturned in the North sea, Nimrods provided vital cover. They also did so during the Piper Alpha disaster and, just recently, for the Athena fishing vessel, which needed the Nimrod's capability because Sea King helicopters could spend only 20 minutes hovering above the vessel. We must remember that we have an international obligation to provide long-range search and rescue missions. We will not be able to adhere to the interrational convention on maritime search and rescue, which we signed in 1979, if we cancel the new Nimrod.

Let us also remember the use of maritime surveillance capabilities against drug smuggling, human trafficking and piracy. The new maritime patrol aircraft, of which the Nimrod was the mainstay, had the capacity to counter drug-running operationsin the Caribbean, fight pirate activity in the gulf of Arabia and form a crucial part of maritime counter-terrorism operations.

It has been a long time since the Conservative Government needed to reinforce the Falkland Islands. I pay particular tribute to the speech made by the hon. Member for Gainsborough (Mr Leigh), who recognised the vulnerability of the Falkland Islands, particularly given the growing demand for energy. The UK's claim to energy resources in the south Atlantic, which are being explored as we speak, must be safeguarded. The Nimrod provides the only capablity that could deploy

to the Falklands within 48 hours. It can provide early indicators and warnings for forces that follow. The Royal Navy would take three weeks to deploy there. That is 48 hours for a Nimrod, but three weeks for the Royal Navy.

The Nimrod MRA4 has not been cleared for overland operations, but it does have a tremendously sophisticated suite of new sensors that would make a good surveillance and support asset for land operations. I fail to see why our security and defence capability has been reduced by the removal of this asset. It has the capacity to provide maritime eyes and ears at long range—up to 4,000 miles. Where else do we have a 4,000-mile capability for intelligence? It can move very rapidly—within two hours—and with persistence it can fly for 12 hours without refuelling. No other asset has that capability.

Dr Murrison: The hon. Lady is making a compelling case, but will she say what elements of the defence programme she would scratch, given our unfunded liabilities, to make good the spending commitment that she is apparently making?

Mrs Moon: That is not a matter for me. As a member of the Defence Committee, my objective is to look at what the Government propose and ask whether they are providing the best defence and security for the UK. Removing this platform is not in the best interests of Britain's defence and security. I defy any Member to contradict me—and the Secretary of State for Defence, who said exactly that in his letter to the Prime Minister.

I acknowledge that the procurement history of the Nimrod MRA4 has been difficult. But past problems bear no relation to the decision not to bring it to service. The Under-Secretary of State for Defence, the hon. Member for Mid Worcestershire (Peter Luff), made it clear that the decision to cancel the project was based on the future support costs of the aircraft—not the past spend, but the future costs. Considering what we have spent on research and development, the capability that we have put in place and the versatility of the aircraft, saving the modest future running costs is short-sighted.

If we really cannot find the pocket money that we need for those running costs, why do we not at least consider mothballing rather than selling off? Let us mothball, so that when the Treasury wakes up to the enormous capabilities that we would have, it can bring the Nimrod back into operational service. In the meantime, we must make sure that we do not lose the skills of the Nimrod aviators; there must be ongoing training and skills development to make sure that the capability is retained.

The Under-Secretary also said that the Ministry of Defence had

"sought to mitigate the gap in capability"

produced by the early retirement of the Nimrod MR2, through the use of a range of other assets:

"Type 23 Frigates, Merlin Anti Submarine Warfare helicopters and Hercules C-130 aircraft, and by relying, where appropriate, on assistance from allies and partners."—[*Official Report*, 28 October 2010; Vol. 517, c. 451W.]

This was meant to be a short-term solution while the new Nimrods were developed, and we now need to know what longer-term plan will be put in place. How long are we going to rely on a patchwork of aircraft to fill the gap left by the Nimrod?

The decision not to cancel the renewal of the Trident nuclear deterrent has demonstrated a belief in the need for us to maintain a constant and secure independent nuclear deterrent, yet we cannot provide the reconnaissance to ensure the safety of those submarines and of our nuclear deterrent.

We are going to get rid of the Queen Elizabeth class aircraft carriers as well, it seems, and we are cancelling the aircraft that would defend the carriers. It does not make sense. We have talked about asymmetrical warfare and the threat to our nation from individuals and groups rather than nation states, yet we are going to reduce our capability to protect national infrastructure and essential offshore assets, particularly our energy capabilities.

The Secretary of State concluded his letter to the Prime Minister by saying:

"Cuts, there will have to be. Coherence, we cannot do without".

Not bringing the Nimrod into service does not represent a coherent approach to the defence of our country. I hope that the Treasury will listen and that the Ministry of Defence will yet again argue for this piece of equipment so vital for our defence and security.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. A number of colleagues would still like to speak in this important debate, so in order to facilitate the wishes of all Members I am introducing a 10-minute limit on speeches.

3.51 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I commend the hon. Member for Bridgend (Mrs Moon) on alighting on a vital capability. There was one thing that she did not say about it: if it were deployed, it would be the envy of the Americans, such is the sophistication of the capability. It is also a valued asset of many of our European NATO allies and I hope that even now, at this eleventh hour, there might be ways to explore how we can share the burden of the capability so that it can be retained. I fear that that underlines how the defence review was done in a rush and that, whatever the thinking in advance, it ended in the inevitable collision between the Ministry of Defence and the Treasury which, as the letter from my right hon. Friend the Secretary of State to the Prime Minister advertised, threatened to be even more destructive than it was.

I would further underline, as the Secretary of State admitted, that the review has been distorted by our activities and the burden of operations in Afghanistan. To that extent, the review is raiding future capability to sustain current operations, which is an unstrategic approach. I fully accept—I think we have to understand the predicament faced by those on the Treasury Bench—that the Government have inherited a very difficult situation and not just in the Ministry of Defence. Of course the national deficit has to be addressed, but there is a deeper malaise at the heart of the dysfunctional relationship between the Ministry of Defence and the rest of Government and, indeed, in dysfunctional relationships at the MOD.

As shadow Secretary of State for two years and a member for four years of the Select Committee on Defence, I watched with increasing perplexity post-9/11

[Mr Bernard Jenkin]

our first Afghan deployment, the invasion of Iraq and the subsequent deployment to Helmand, as chaos grew due to policy that was increasingly reactive to events and less and less in control of them. There was increasingly an apparent lack of strategic thinking behind what we were doing. As we started calling for NATO to develop a new strategic concept, I began to ask myself who held the UK's strategic concept and whether there was one. That was the starting point for the Public Administration Committee's inquiry once I was elected its Chairman in this Parliament. Our report entitled, "Who does UK National Strategy?" is on the Table and tagged for this debate. The evidence, I am afraid, was more disturbing than I had imagined.

The word "strategy" itself has become corrupted. It has become a tool of management-speak for consultancies and people who do not really know what they are doing when they use it. We heard evidence from Sir Rob Fry and Commodore Stephen Jermy, who were both involved in decisions in the Ministry of Defence about the deployment to Helmand. They said that it was driven primarily by military concerns, without any strategic thinking going on in Whitehall about the reasons for it or its consequences.

In one rather telling piece of evidence, Peter Hennessy, shortly to be ennobled as Lord Hennessy, says that politicians too often reach for the word "vision", and that we should be ready to excise that word with our red buzzer, because it is an excuse for a politician to disconnect his aspirations and the sunlit uplands that he dreams of from the reality of the world in which he, and the civil servants who have to deliver the policy that he is seeking to deliver, have to live.

We found that Whitehall Departments each have their own version of strategy, with their own strategy units, but none of them knows what they are meant to contribute to national strategy, if they even knew what that was. That applies to the Treasury in particular. There is no doubt that the main strategic effort of this Government has to be deficit reduction, but I think that, as far as the Treasury is concerned, it is the Government's sole strategic effort. To have a sole strategic effort is strategic blindness, not strategy. It may be a necessity to have that imperative driving the whole Government at this time, but other strategic priorities have to be recognised.

Strategy is not just about reconciling ends, ways and means. It is not about having a document that is published as a Command Paper and stacked on a shelf afterwards—job done. Strategy is a state of mind. It is a process of thinking that has to be ongoing, has to be done continuously, and has to be continually adapted. A grand strategy, or a national strategy, is about reconciling all the instruments of statecraft to the main ends of promoting the security, peace and prosperity of the people of these islands. It is evident that both the national security strategy and the defence and security review lack strategic thinking—the consistency of analysis and assessment that is necessary to give them strategic coherence.

The problem is that the work simply has not been done, because Whitehall lacks the capacity to do it. There are no people working for the National Security Council or the strategy units of different Departments who are tasked with doing or trained to do such work. Some people say, "Strategists are not trained, they are born", but that is like saying that a great gymnast is born a gymnast. Of course, someone has to have talent to be a great gymnast or a great concert pianist, but they also have to put in the work and the training in order to be successful before they give that first recital. There used to be a six-month civil service course on strategic thinking; at the moment, it consists of one module of one week's training.

That lack of strategy is evident in all the contradictions in the documents. The national security strategy says that it is the first duty of Government to protect our people. Well, that is clearly not so. The first priority of Government is not defence. Health, pensions, schools, the Department for International Development, and even the European Union budget have taken priority over the defence of these islands in the comprehensive spending review.

The words "national interest" are sprinkled liberally throughout the documents. They are mentioned 26 times in the national security strategy and six times in the SDSR, and were even mentioned once by my right hon. Friend the Chancellor in his comprehensive spending review statement—but that was only in connection with justifying the increase in spending on overseas aid. In all those mentions, there is very little definition of what our national interests actually are. When I tabled a parliamentary question to the Prime Minister to ask him, he referred me to paragraph 2.12 of the national security strategy:

> "Our security, prosperity and freedom are interconnected and mutually supportive. They constitute our national interest."

That is really sub-GCSE stuff. If that is the depth of thinking that has gone into an assessment of our national interests, we can hardly expect much coherence from the Government's documents.

The real inconsistency at the heart of all three of the Government's reviews is the attempt to reconcile what the Foreign Secretary has said about having no strategic shrinkage and expanding our influence on the world stage with the savage defence cuts that will lead to a reduction of one third in our deployable capability. That is what the defence planning assumptions actually show. There has been an attempt to connect the Foreign Secretary's vision of our foreign policy with the reality of the deficit reduction programme, but it has not been achieved.

Our Committee concluded that political strategic leadership is essential if we are to have a coherent national strategy. Strategic thinking is vital, and we need to examine all the threats, possibilities and opportunities, not just certain threats and contingencies. Within Whitehall we need challenge, with alternatives coming up through the system and people conducting thorough analysis. Ideally, we want a national centre of strategic assessment, protected for secrecy in a similar way to the intelligence services and able to provide a permanent resource to Ministers.

Mr Russell Brown (Dumfries and Galloway) (Lab): I thank the hon. Gentleman for giving way, given the time limit—perhaps I have bought him a little more time. Would he like to define for the House what he believes national strategy should be?

Mr Jenkin: I am grateful for the question, but I will continue. *[Interruption.]* With respect, that was not the purpose of the Committee's report. We were not trying to write a national strategy; we were simply trying to advertise the fact that the capacity for developing a coherent national strategy does not exist.

Mr Ainsworth: I think that the hon. Gentleman is on to something, and I know that a number of people are examining his report. Why does he think that we as a political class have shrunk to pragmatic reactions, rather than daring ones? Does he think politicians would be rewarded or punished if they dared to be strategic?

Mr Jenkin: The right hon. Gentleman asks an interesting question, which has been raised with me before. There are two reasons why politicians fear such a challenge. The first is that politicians who are busy running their Departments do not like people running into their offices with contrary ideas and imperatives. The other reason is that if they ask for alternatives to be developed, they say, "Whatever you do, don't put it on to a piece of paper and don't e-mail it to anybody, in case it leaks out."

We are embarked on a deficit reduction programme that depends on a certain economic out-turn. I just hope that the Treasury has run through the alternative plans B, C and D, in case things do not turn out as we expect. The problem is that we have got into the habit of thinking in closed systems. Economists in particular work in mathematical equations and like tame, predictable problems. Economics is all about prediction and certainty, with the intention of being vindicated by what happens. We live in a world in which problems are not tame but wicked and unpredictable. As we face greater and greater global challenges, we must be more prepared for the unpredictability of the global security, economic and geopolitical environments. We therefore need the capacity for strategy.

I shall give a brief example. I gather that after the global banking crisis started, Her Majesty the Queen asked how nobody had seen that it would happen, given that it was so big. The answer is that one body did foresee a global banking collapse being a major security threat to the UK. It was the advanced research and assessment group, based at Shrivenham, and I am afraid that in March the right hon. Member for Coventry North East as Defence Secretary closed it down, to save £1 million. *[Interruption.]* It was such a small cut, he did not even realise it was being made. I have no doubt it did not cross his desk. It was shut down because it had made enemies by telling truth to power, and that is the capacity that needs to exist in Whitehall.

4.4 pm

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): Thank you, Mr Deputy Speaker, for the opportunity to speak in the debate. As a new Member, I have to say that there have been a number of distinguished and knowledgeable contributions from both sides of the House.

Along with every other Member, I would like to place on record my admiration for the work of our armed forces and for those who work for the Ministry of Defence, particularly at this time. Since being elected in May, I have had the privilege of meeting constituents who have served, or are serving, in the armed forces. A number of constituents work for the Ministry of Defence and the armed forces in a civilian capacity. Too often—although not this afternoon, I am pleased to say—they are dismissed with pejorative labels, when the reality is that they often do important work of great value to the armed forces, and some do so in dangerous circumstances.

As the right hon. Member for North East Hampshire (Mr Arbuthnot) said, the previous Government announced the first ever strategic defence review within a month of taking office in 1997 to determine the future of the UK's defence policy. At the time, the then Defence Secretary, now Lord Robertson, who is one of my predecessors in the Hamilton part of my constituency, said:

> "Hundreds of experts from within the MOD, the Armed Forces and elsewhere have given a great deal of time over the past year to produce the most significant reshaping of our Armed Forces in a generation...It is absolutely right that we should have consulted so widely".

As the right hon. Gentleman noted earlier, that review took 13 months. It was comprehensive in its scope, forensic in its detail and rooted in the needs and priorities of our defence. It would obviously be foolhardy to measure such exercises by such shallow criteria alone, but the strategic defence review in 1998 ran to 390 pages. Given the comments of my right hon. Friend the Member for East Renfrewshire (Mr Murphy) at the start of the debate, I should say that I am not sure how many of those pages were blank, but I am sure there were a lot fewer of them, proportionately, than in the recent strategic defence and security review.

There is a real contrast between the two exercises, not only in the time taken and the depth of content in the reports, but in the detail and the consultation undertaken, which leads many of us to express real concerns about aspects of the current review and the consequences that we will all have to face as a result.

Neil Carmichael (Stroud) (Con): I would like to point out one contrast between the review then and the review now. We now have the National Security Council, which is bringing in a lot of information from various Departments, such as the Foreign Office and the Department for International Development. Will the hon. Gentleman comment on that improvement on the process that the Labour Government followed between 1997 and 1998?

Tom Greatrex: I was just going on to say that there are differences in the circumstances in 1997 and now. My right hon. Friend the Member for Leicester East (Keith Vaz) has talked about some of the security aspects of the review, and I am sure that he will go into that further if he catches the Deputy Speaker's eye.

Obviously, the economic circumstances were more benign in 1997 than they have been recently. Reviewing defence requirements in 2010 is not an unnecessary exercise, but as the Secretary of State's own words in his correspondence with the Prime Minister exposed, perhaps brutally:

> "this process is looking less and less defensible as a proper SDSR and more like a 'super CSR'".

The strength of the link between the defence and security review and the comprehensive spending review has been widely acknowledged as a deficiency in the strategic

[Tom Greatrex]

nature of the defence and security review. Given the explicit link to cost, it is even more important that the SDSR approach should have been thorough.

That brings me to a specific concern, which has been raised by a number of constituents. Perhaps the Minister will have time to address it at least in passing in his closing remarks. The decision to rebase our forces from Germany is in principle welcome. The presence of UK armed forces on mainland Europe was at one time necessary, but perhaps the need is no longer so pressing. The aim to return half our personnel from Germany to the UK by 2015 and the remainder by 2020, as page 32 of the review states, is laudable, and I am sure there will be very little opposition. However, the lack of detail on how that will be achieved undermines the nature of the review and its thoroughness. In response to a number of parliamentary questions, the MOD said that more detailed work will be required and that it is too early to say what the financial impact will be. It troubles me that the Government have taken such a decision in the context of a cost-influenced—if not cost-driven—review exercise without considering the cost.

One estimate is that the eventual cost could be many millions, and I believe that the Minister is on record as saying that there will be a long-term saving, but there is little detail on when that saving will be achieved or on the figures on which any projection of savings is based.

Mr Kevan Jones: I had responsibility for this matter as a Minister and we looked at rebasing from Germany. The estimate back in 1994 when we brought most of the RAF back was something like £5 billion. Under the treaty, there is a responsibility to write to the German Government to inform them that we want to withdraw. I made some inquiries this week and found out that that has not yet happened.

Tom Greatrex: I thank my hon. Friend for his intervention, which I think brings to bear an important aspect of the matter that has not been addressed—I look to the Minister to do so in his closing remarks.

I am raising the issue of rebasing not to devalue the point that defence and security interests should be paramount, but to illustrate that even when it appears that costs have been prioritised, as in the review, there is insufficient detail. That leads to concerns that other matters have not been considered in sufficient detail. Specifically on rebasing, it is unfair on returning personnel and their families to announce their return to the UK without providing detail to allow them to prepare. What does the Minister say to a family who have lived and worked in Germany for the past 20 years and who now face the prospect of a return to the UK in five or 10 years? On what criteria will decisions on when to return troops be made? What assessment has been made of the suitability of using RAF bases that are no longer used as such for housing Army personnel? There are a series of unanswered questions and we need answers—if not this afternoon, soon.

The detailed work of which the Minister spoke in his parliamentary answer—it was a vague but not necessarily unhelpful or unrevealing answer—should have been carried out before, or at least parallel to, work on the strategic review. An SDSR that takes no account of the cost of rebasing troops from Germany to the UK and no account of where service personnel and their families will be housed, and that gives no detail on exactly how the draw-down of personnel from 20,000 to zero in 10 years will happen, has a gaping hole in the middle of it. I hope the Minister will respond to at least some of those points in his remarks.

4.13 pm

Laura Sandys (South Thanet) (Con): I should first like to associate myself with the tribute paid to our armed services and their families by my hon. Friend the Member for Mid Sussex (Nicholas Soames)—a family member of ours is on a second tour of duty in Afghanistan. I am also delighted to follow my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), because among the key terms in the review are "strategy" and "strategic thinking". Although I am not an expert in every aspect of the armed forces, nor on every aspect of procurement, I have been involved, through the centre for defence studies, in the international framework and landscape in which our country must operate in future.

Some would say that the last century was dominated by the politics of ideas, whether communism, terrorist ideology or issues of nationhood, including in the Balkans. I believe that this century will be dominated by the politics of economics. The ability to satisfy the demands of domestic audiences will shape international politics, and may well make international engagement more vicious and less high-minded than previously. Even in countries where democracy is not exactly the byword, such as China and Russia, the economic needs of domestic populations will determine international policies and strategies. Britain will be no different.

This more competitive and aggressive economic climate will be based around access to resources and global trade. We are particularly vulnerable to threats to globalised trade: we import 50% of our food, the prices of which are expected to rise by 40% over the next 10 years; we will be importing by sea more than 35% of our gas supplies, while energy costs will rise and be subject to greater politicisation; and imported minerals such as chromium, cobalt and manganese are crucial to the future of our electronics businesses. These minerals are a finite resource, and we will no longer be competing for these resources just with our natural allies. We and the rest of the world are totally interdependent, and the rest of the world is getting a whole lot more acquisitive and competitive.

What are the threats that our defence capacity must address in this economic paradigm? Piracy is one. The Somalis are merely adopters of an old entrepreneurial business. With food price spikes, the increase in energy costs and limited mineral resources, it is calculated that the impact of piracy has only just begun. Last year alone, 217 merchant ships were abducted by pirates, and this was not just confined to the horn of Africa. The British Chamber of Shipping has stated:

> "Climate change and scarcity of resources will bring unknown and destabilising influences at sea – as we all fight for vanishing resources."

However, it is not only sea routes that could be disrupted. I believe that there will be an increase in land piracy. I was involved in the Caucasus and worked on the pipeline policy across central Asia, and I believe that there will be an increase in land piracy, such as energy pipeline

hijacking and the illegal sequestration of essential mineral resources, which could fundamentally disrupt our domestic economy.

The MOD has an important role to play, in relation to special forces with specialist knowledge, logistical assistance to support countries whose mineral resources are at risk or vulnerable to criminal or state-sponsored sequestration, the global reach from our aircraft carriers, our frigates playing their part in keeping trade routes open, and minesweepers securing key pinch points across the globe. Neither can we underestimate the diplomatic value of our military when it supports other military forces around the world. It is respected by the world and can secure our trade routes and aid the capacity of other countries to secure theirs.

That is how our constituents will judge the defence of this country. Will there be affordable food on our supermarket shelves? Will we be able to keep the lights on across Britain?

Andrew Bridgen (North West Leicestershire) (Con): Does my hon. Friend agree that the defence budget is unique in the way we must view it? It is a form of insurance policy. That being so, we must accept that when the risks increase, so must the premium.

Laura Sandys: Most certainly. However, my point is also about how we look at those risks. We must start looking at them from a domestic perspective. We are part of the globalised trade environment, and if globalised trading is threatened, our domestic economic capability, our recovery and everything about our growth is threatened. When we talk to our constituents about the strategic defence review, and the budget that defence requires, we must make the case that it is about ensuring that we do not get into an inflationary cycle of rocketing food prices, that energy arrives in this country safely and without the increased cost of convoys and supply from unstable countries, and that our high-tech businesses can access the critical resources that will keep Britain open for business.

The free movement of global resources will be the prize, and must form part of the strategy. I am encouraged by the strategic defence review, and the fact that at the heart of the illustration of how we take the defence review forward, strategy and policy are guiding us. I hope that we will all take note of the recent report on strategy and on thoughtful planning that has just been published. I believe that we have got the framework right; we must now get the texture right, as well as the context in which this country will have to survive in future.

4.21 pm

Keith Vaz (Leicester East) (Lab): It is a pleasure to follow the excellent speech of the hon. Member for South Thanet (Laura Sandys). She rightly widened the debate beyond the defence part of the defence and security review to include other aspects of global policy that affect the security of our country. That is what I intend to do in the brief time available, and I shall try to follow her example in not taking up all my allocation.

The hon. Member for Rutherglen and Hamilton West (Tom Greatrex) correctly predicted that I am here not to increase my knowledge of defence, although if I had wanted to spend four hours listening to the country's experts on defence, this would be the place to be. It has been a fascinating debate. As the Chairman of the Defence Committee said, we have in this House people who know a huge amount about the subject.

I congratulate my right hon. Friend the Member for East Renfrewshire (Mr Murphy) on his appointment as shadow Secretary of State, and all the Front Bench team.

In the time available, I want to raise three aspects of the review, the first of which is security and the importance of recognising the counter-terrorism agenda within the wider defence and security strategy. I shall probably make a loyalist speech as far as the Government are concerned, certainly compared with some of the speeches from Conservative Members, because I fully support the Government's counter-terrorism strategy in the security review.

The third and fourth parts of the review document deal with counter-terrorism and acknowledge this country's success over several years in joining up various aspects of government. I am delighted that the hon. Member for Colchester (Bob Russell) is here, because he was co-author of the Home Affairs Committee report that strongly recommended the establishment of the National Security Council, which the previous Government strongly resisted, although I never discovered why. As soon as the new Government took office, they accepted the Committee's recommendation, and we now have a Committee that spans all Departments and all the experts who sit under the chairmanship of the Home Secretary or the Prime Minister and can draw all the strands together to look at the security of the country as a whole.

My second point is about the counter-terrorism budget, and I believe that the review document preserves that budget. From what I have read of it, there is a commitment to ensuring that the previous Government's initiatives and the new initiatives proposed in the strategy are pursued. That means—I hope—that the fears of people such as John Yates, the head of counter-terrorism in the Metropolitan police, will not be realised. The House will recall that in a closed session of the Association of Chief Police Officers conference earlier this year, Mr Yates raised the possibility that the counter-terrorism budget would be cut. I think that the review preserves that budget. Indeed, from the opportunities that I and others have had to probe the Government on the issue, I think that that aspect of the home affairs budget is to be preserved, although perhaps the Minister will confirm that when he replies to this debate.

My final point concerns Yemen. I should declare my interest: I was born in Yemen and I spent the first 11 years of my life there. I have led parliamentary delegations to Yemen over my 23 years in this House, and the only reason we have not visited this year is the security situation. However, I plan to go in the next few months with other Members of Parliament, and if anyone would like to come—including you, Mr Deputy Speaker—we would be delighted to take them. My concern is that people outside this House have talked about Yemen as though it were a failed state. It is not a failed state; in fact, it is probably the most democratic of all the states in the middle east, with the exception of Israel. It is, however, a country that is capable of failing, which is why we need to give it enormous support. We need to engage with the Yemeni Government and the

[Keith Vaz]

Yemeni people. We need to ensure that our international development budget is increased, and not kept to its current levels, because even though Yemen is one of the most beautiful countries on earth, it is also one of the poorest. Al-Qaeda in the Arabian Peninsula—as the branch of al-Qaeda in Yemen is called—is determined to feed on the poverty of the Yemeni people and make the case to them that nobody is interested in what happens in Yemen.

The hon. Member for North West Leicestershire (Andrew Bridgen) paid tribute to the security services and the authorities at East Midlands airport when the Home Secretary made her statement on Monday. As the constituency MP for the airport, he will know of the concern—indeed, the shock—of local people that a package that started off in Yemen should have gone through Germany and ended up at East Midlands airport. While we have been sitting here over the past four hours of this debate—I am not saying that I have been sitting here for that time; rather, the House itself has been sitting—the French Interior Minister has made a statement. He has said that it is thought that one of the bombs—we do not know whether it was the one on its way to Dubai or the one going to East Midlands airport—was going to be detonated within 17 minutes of its being found.

There is a serious problem, but what do we do to help Yemen? We do not cut off all its freight, and we certainly do not want to stop people coming here from Yemen. Instead, we need to give Yemen the security equipment that we promised at the London conference in January. Prime Minister Gordon Brown called a conference of the Friends of Yemen, who were given certain assurances, one of which was that equipment would be sent to San'a and Aden. *[Interruption.]* The Minister shakes his head, but the answer is yes, and other Ministers have confirmed that to me. There was an assurance that security equipment would be given to Yemen, so that it could perform the task that is being performed at our airports in this country, thereby preventing packages of that kind and any passengers carrying such devices from leaving Yemen.

My message to the Government is that if we are talking about the security of our country, we have to remember that security does not stop at our borders. The hon. Member for South Thanet talked about piracy off Somalia, another country that is in great difficulties. What do we do? We do not leave those countries on their own; we engage with them and ensure that they have support. As part of the review, I hope that we will understand that issue. If we do, not only will the people of Yemen and the world be safer; more importantly, the people of our country will be, too.

4.30 pm

Alun Cairns (Vale of Glamorgan) (Con): Thank you, Mr Deputy Speaker, for calling me in this extremely important debate.

I thank the Secretary of State and his colleagues for the work they have done on the strategic defence and security review in extremely difficult circumstances. It has been said on many occasions that the state of the public finances, together with under-investment in defence over a considerable period, has put this Administration in a near-impossible position, yet the outcomes of the SDSR are tough and realistic but forward-looking. The SDSR and the national security strategy have, by and large, been well received. I think that their common theme is flexibility and adaptability.

My hon. Friends the Members for Mid Sussex (Nicholas Soames) and for South West Wiltshire (Dr Murrison) said that, after this debate and its due consideration, it ultimately comes down to the individuals who are on the front line. That being the case, I want to talk about defence training.

Naturally, I was disappointed that the Metrix consortium plan for a single tri-service defence training establishment in St Athan in my constituency was not viable. I am pleased, however, that the Secretary of State and the Prime Minister have said that St Athan remains the preferred location for the defence training solution. Decisions such as this cannot be taken in isolation, and the communities surrounding St Athan recognise that fact.

I have had the opportunity to question in private and in more detail the Secretary of State and some of his colleagues, and I am grateful for their responses, some of which it would be inappropriate to share here. I have gained a better understanding of the reasons for the failure of the Metrix consortium. I look forward to further meetings with the Secretary of State and his colleagues to try to establish what St Athan can do to put itself in a strong position as we go forward with the defence review. As a strong supporter of the plan, I am disappointed that Metrix could not deliver a commercially robust proposal within the desired time scale. Clearly, I would have welcomed a £14 billion investment in my constituency, but it must also be right for the nation and for the nation's security needs.

Questions have been raised by constituents about the appropriateness of providing training through a private finance initiative scheme under a 30-year contract. This raises and highlights two key points, the first of which is whether defence training should be conducted by a private firm. I am a fan of PFI in general. The transfer of risk is a key benefit of PFI, but in defence terms the public purse will always have to carry the risk and bail out any failure. That raises questions about whether PFI is appropriate for defence.

The second issue is the term of the contract. The public purse will be hit hard unless all details are specified and agreed at the signing of the agreement. It is difficult to know what will be all the requirements over a 30-year contract; our technical training requirements 30 years ago were very different from what we need now. That demonstrates the difficulty of planning over a 30-year period in a PFI contract, especially as the nature of the risks we face these days changes at a much quicker pace. It would be useful to have the Secretary of State's and the Minister's views on the timing and particularly on the use of PFI for defence projects and, most specifically, for defence training.

The training needs of the forces still need to be addressed. The reasons for the previous Government's defence training review remain. We need to offer our forces the best training possible to protect themselves and our nation when fighting in the line of duty and to equip them with transferable skills when they leave the services. To my mind, that is an essential element of the military covenant. The principle and benefits behind

the tri-service training model are still true, and the run-down state of training establishments, as inherited from the previous Administration, is still a matter of concern and needs to be addressed.

The social and economic demands of today's trainees are far greater than they were in the past, and we need to match their expectations. The positive influence over the different cultures of each individual service that a tri-service facility would bring can only be beneficial. It was interesting to note from the UK-French security co-operation data that there is a plan to develop a joint expeditionary force involving all three services. When I refer to a joint force, I mean that it would involve all three services; it would not necessarily involve the French. Training will be provided. The proposal underlines the importance of co-operation between the services. We also need to offer transferable skills that members of the forces can use when they leave Her Majesty's service.

It was alarming to read that even in 1999, when the previous Government launched the defence training review—incidentally, the fact that the process began 11 years ago highlights the delays created by that Government—site running costs represented between 40% and 50% of the total costs of the training establishment. That is clearly not efficient spending. Training is currently delivered at nine key locations. A considerable amount of technical training is common to all services, and it obviously does not make sense for identical functions to be delivered over several locations.

Mr Havard: I was going to ask the hon. Gentleman earlier what he had been told by Ministers, in secret or otherwise, about why the St Athan plan would not go ahead, but as his speech has unfolded it has become clear what the excuses are. Given that he agrees that St Athan should still be the preferred site and given that PFI is not the right way of financing it, has he received any undertaking that it will be financed by general spend from the Ministry of Defence?

Alun Cairns: The Secretary of State made clear in his written statement that there would be a statement about defence training by the spring, and that written statement specified St Athan as the preferred location for the defence training solution. We could not ask for a clearer statement than that. However, I also benefited from meetings with Ministers, including the Secretary of State. One of those meetings, incidentally, was offered on an all-party basis, but unfortunately Labour Members chose not to turn up. Obviously, information would have been shared with the hon. Gentleman's colleagues if he was unable to attend himself.

Mr Havard: The hon. Gentleman may be satisfied with that, but I think that the position is still very unclear. It is also unclear where St Athan will fit in with the training that is required elsewhere in the country. It seems that the hon. Gentleman has been handed a Confederate dollar. A better explanation is needed.

Alun Cairns: If the hon. Member for Rhondda (Chris Bryant) had not left after a bit of a spat because there was a mix-up over the room changes, that information would have been shared with him. It is not necessarily appropriate to share such information in public, although I have been reassured that more information will be given in public as time goes on.

There are also significant opportunities to introduce modern training methods involving the latest technologies, thus enhancing the capabilities of our forces. I would, however, caution against centralising technical training on a single site, as Metrix proposed. I believe that that would pose a security risk that could be managed better on a small number of sites than in a single location. We need a defence capacity that involves not only appropriate equipment, but the training flexibility that makes it possible to respond to an ever-changing environment.

Let me return to the subject of St Athan. As the Secretary of State has pointed out on several occasions, its infrastructure, facilities and location won through during the last consideration. Preliminary site works have been conducted, and planning permissions are in place. Those factors remain, as do the needs of the forces. I look forward to the spring, when the Secretary of State will outline the next steps—within the financial envelope, of course.

There was no problem with the site. It was Metrix, the developer, that failed. However, I hope that the Secretary of State and the Ministry of Defence will recognise the support that the communities in and around St Athan were prepared to give, and the compromises that they were prepared to make. That good will remains, on the basis that the St Athan facility will be used to its full potential.

4.39 pm

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): The debate has been excellent, but I do not believe that it has addressed the aircraft carriers issue in as much detail as it deserves, and I hope to remedy that.

When the Secretary of State and others discuss the nuclear deterrent, great emphasis is placed on the need for a continuous at-sea presence, yet in respect of Britain's global reach by aircraft carrier we are apparently happy to settle for a presence every now and again. We are building two aircraft carriers but one is to be mothballed, so the second will not be available when it is in refit—or, indeed, when the French are seeking to use it. Therefore, we will have only occasional use of our own aircraft carriers: for us to end up with part-use of one when we are building two does not seem to me to represent the best use of money.

There is no guarantee that we will ever have much access to the French carriers. We will be able to use them only when the French are not using them, or when they agree. There will, of course, also be times when a carrier is being refitted. Therefore, although we are going to the expense of building two carriers, we cannot receive a guarantee that we will have a continuous at-sea global presence by aircraft carrier.

In defending the implementation of the "cats and traps" policy, the Defence Secretary has mentioned that we want to have interoperability with the United States. However, it is unclear whether any agreement has been struck with the United States about our being able to borrow one of its carriers or use its decks, or whether the United States will want to use our carriers if it ends up one short. There is no point in arguing that we want to have "cats and traps" for the sake of interoperability with the United States unless some deal has been done whereby that will be a benefit—but no mention has been made of that so far.

[Mr Ian Davidson]

When the Minister sums up, will he tell us whether catapults are to be fitted to both aircraft carriers? If not, we will have aircraft designed for catapults and traps but only one aircraft carrier they can fly off. On the other hand, if we fit catapults to both carriers, we will end up spending half a billion pounds fitting them to mothballed aircraft carriers. Neither of those options seems to me to represent an effective use of money. It would be helpful if the Minister were to tell us whether the French or the United States had asked us in any way, shape or form to fit catapults and traps to our aircraft carriers, or did this situation arise simply as a consequence of the Air Force's obsession with fast jets?

The Government seem to have an unhealthy obsession with fast jets, and to have inadequately appreciated the additional capability provided to us by vertical and short take-off and landing aircraft. Yes, it is true that they carry lighter weights and can fly less far, but they are also much more effective in providing close air support, as our troops who have served in the Falklands and Afghanistan can testify. As the previous Secretary of State, my right hon. Friend the Member for Coventry North East (Mr Ainsworth), said, we are giving up this capability not just in the short term but permanently; if we scrap the Harriers or do not upgrade them in future, we will lose that entire capability. To base our entire fast jet defence structure on the concept that we must have generation five because at some point in the future somebody else might have it is to focus too much on one element of need. It would be useful if the Minister told us how much each of the "cats and traps" will cost, because if he does not have that figure to hand, this would appear to be a leap in the dark.

The lack of political balance in how the British media treat the various parties is nowhere more glaringly obvious than in the discussion about aircraft carriers without aircraft. Can we imagine the meal the press and television would have made if a Labour Government had for one moment proposed that we should have aircraft carriers without aircraft? I am not necessarily the brightest, but I recognise that the secret is in the name: the concept of an "aircraft carrier" means something that carries aircraft. The fact that we will have aircraft carriers without aircraft—and that the Government have got away almost scot-free with it—represents something of an imbalance. I am looking forward to hearing the Minister announce that he has devised a new system of guns without bullets, rockets without explosives and so on. Those are equally ludicrous suggestions.

The Government have been insufficiently radical in examining structures. I understand that under their proposals the joint strike fighter will be flown off the carriers by joint RAF/Fleet Air Arm groups, crews, pilots and so on. In those circumstances, why do we need a Fleet Air Arm? Why do we need to have RAF pilots flying off aircraft carriers? That is an example of the sort of culture of defence in the forces. I served on the Public Accounts Committee for many years and we constantly got the feeling that the service personnel at the top were all far too cosy, that it was all too much of an old pals act, that they were drawn from too narrow a social base and that they were all scratching each other's backs. Only 7% of children go to a private school, yet 90% of top generals did—so it is difficult to accept that the forces represent the society that they seek to defend.

Thinking back to my days in the borders, I recall that in some towns the reaction to any proposed change was "Aye been", on the basis that things had aye been like that, so must not change. Although we must be proud of traditions, we should not be prisoners of tradition. There is an unwillingness on the part of the Government to challenge some of the existing structures, be it the Fleet Air Arm or the need to maintain an RAF. There is no evidence that some of those more drastic options have been fully discussed or thought through.

I wish to touch on the defence industrial strategy, because there has been a lot of discussion about the terms of business agreement—TOBA—between British Aerospace and the Ministry of Defence. That is an ideal example of good practice, rather than bad practice. People could haggle about the detail of the deal, but the concept of the Government making a plan with a firm in the private sector that gives it a guarantee of work for a period that will allow it to invest, in both capital resources and personnel, in return for that flow of work is sensible. We cannot go on with a system of simply buying off the shelf—one here, one there and one somewhere else. Without question if we had not built aircraft carriers we would never have had the capacity to build Type 45 destroyers. That capacity would simply have been lost, because the work force would have been dispersed.

I hope that when the Government come to examine the defence industrial strategy, or whatever their equivalent of that is, they will overcome their tendency simply to buy the cheapest on all occasions, but will look forward and identify what industrial and commercial capacities we want to retain for the long term.

Alison Seabeck (Plymouth, Moor View) (Lab): I thank my hon. Friend for the points that he has been making about the skills base. That is particularly important in Plymouth, where proposed changes in base porting and the removal of frigates mean that Babcock will have a huge trough in its work load, which will cause us real problems. Does he share my concern, and my belief that those factors should have been considered before the SDSR, not after it?

Mr Davidson: Yes, I do share that view. The Government, rightly in many ways, have said—the previous Government said this too—that defence is not simply a job creator for people on the home front, so to speak. The question of jobs and, more importantly, continuing capabilities is a valid part of this whole discussion and negotiation. We could probably always buy almost any individual item more cheaply somewhere else, but if we do that we will end up beholden to someone else for everything. We must identify the capacities we want to retain, as Lord Drayson's defence industrial strategy did, and then be prepared to enter long-term agreements with suppliers for them. That will involve manpower and personnel planning to avoid peaks and troughs.

In the minute that remains, I want to ask the Minister about base closures. The Government must start making commitments fairly quickly, not only to individual locations but about what they are prepared to do when bases are shut. Will they promise Kinloss or Lossiemouth that they will clean up the land sites and spend money on

infrastructure and making those sites available for firms to move in, or are they simply going to pull up sticks and move away? Many of those communities have served the country well for some substantial time, and I hope that we will reward them appropriately, or at least that we will not leave them swinging in the wind.

My final point is about our agreement with the French. I hope that we are going to be as hard-headed about it as they are, and that it will not mean that they take over our industrial capacity rather than our being able to contribute to joint developments.

4.51 pm

Bob Russell (Colchester) (LD): I thank you for imposing a time limit, Mr Deputy Speaker. That is the first cut of this Parliament that I welcome, because it means that everyone who wishes to speak will have the opportunity to do so.

Let me start by paying tribute to the soldiers of 16 Air Assault Brigade from the Colchester garrison, who are currently deployed for the third time in Helmand province along with others from Wattisham, Woodbridge and various other bases around the UK who are part of the brigade. I also pay tribute to the people back at the garrison, including the families and all the support units. It is fantastic to see the Army welfare provisions and safety nets come into play when 3,000 men and women, but predominantly male soldiers, are deployed overseas—previously in Iraq and now in Afghanistan.

Given the events of the past 48 hours in the United States of America, we should bear in mind that in two years' time there will be another presidential election, which will be three years before 2015 and the proposed withdrawal from Afghanistan. I have a real fear that the next President of the United States will be not so much a Republican as a Tea Party headbanger Republican. That is a serious issue for the United Kingdom in relation to our joint defence activities.

I welcome the fact that the coalition Government have increased the number of helicopters and unmanned aerial vehicles going to Afghanistan. I urged the previous Government to do that, because UAVs are a very important part of the efforts to identify insurgents.

Mr Kevan Jones: It is a bit rich to suggest that the Government have increased the number of helicopters, given that the order that had been placed for 22 new Chinooks has been reduced to 10—and I must add that the answer I got this week on that subject was wrong.

Bob Russell: I am delighted with whichever Government provides additional resources to 16 Air Assault Brigade. If the previous Government gave additional resources, I say well done to them, and if the coalition Government have given them, I say well done to them. What our troops need are more resources to help them. In that regard, I was delighted to spend some time with 16 Air Assault Brigade, before some of them went to Afghanistan on their third deployment, on their improvised explosive device training. That was a very worthwhile exercise.

The last aspect of domestic military policy that I want to address is the Army housing modernisation programme. This is an issue that I have been raising with the previous Government for the past 13 years. I sincerely hope that matters will be resolved during the lifetime of this coalition Government. We cannot expect to send our brave men and women to serve overseas when their families back at home live in accommodation that is not up to an acceptable standard. I praise the previous Government for Merville barracks, even though, like others, I do not approve of the private finance initiative. None the less, the barracks is of the standard that we should expect for all our military personnel, and its married quarters—an area in which we are lacking—are also of the quality that we would wish to see.

I shall conclude with the Falklands and related matters in the south Atlantic. The only air bridge between the UK and the Falklands is Ascension Island, but there is another island in the south Atlantic to which this country owes a debt of gratitude, and which has the same strategic importance in the 21st century as it did in the 19th and 20th centuries. I refer to the island of St Helena. There are plans for an airport on the island, and it would be of strategic as well as domestic and economic importance, because it would provide an alternative air bridge between the UK and the Falklands.

As we have heard today, the Argentines still cast covetous eyes on the Falkland Islands, and there is an economic case for placing all the islands of the south Atlantic in one economic and military federation. They are all British overseas territories, with British citizens, and just as successive Governments have protected the Falkland Islands, we should realise that there are other islands in the south Atlantic, too. Ascension Island is a crucial element in Britain's interests in the area, and it comes under the jurisdiction of St Helena, so I urge the Government to give every support to an airport on St Helena, because of its strategic defence importance.

4.57 pm

John Glen (Salisbury) (Con): As a new member of the Defence Committee and, indeed, a relatively new Member of this House, I do not approach these matters as an expert. However, having listened to my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), I contribute with some trepidation as a former strategy consultant. He seemed to say that, essentially, there is a lack of strategic thinking throughout government. I suspect that the real problem is the interaction with strategic thinkers and politicians. That is what has bedevilled the process.

I shall make four observations and then some brief concluding comments. Overall, the conclusions of the strategic defence and security review were the best that could have been achieved in the time available and in the circumstances that existed. Legacy issues were the first instrumental factor in defining the outcome of the SDSR, and I make that point broadly, without any intention of launching into a partisan attack. It is absolutely clear that over the period from 1997 to 2007, spending on defence stayed at broadly the same level—2.5% of GDP. However, the number of commitments grew massively, and in that context it was going to be difficult not to delay some decisions or over-spend. The right hon. Member for Coventry North East (Mr Ainsworth), the former Defence Secretary, this afternoon disputed the idea of over-spend, but in reality, with that commitment and with the unintended expenditure that emerged, there was bound to be a problem.

Mr Kevan Jones: I am interested that the hon. Gentleman should be using 1997 as his starting point. Does he agree that some of the cost pressures on the procurement budget were down to the incompetence of previous Conservative Governments? I am thinking particularly of how Nimrod was procured and of programmes such as HMS Astute, to name but one other.

John Glen: Quite possibly, but we can make cheap points or look at the fundamental problems that go back more than 20 years.

The hon. Member for Rutherglen and Hamilton West (Tom Greatrex) was looking at the respective contexts for the reviews—the one in 1997-98 and the one this year. The fundamental difference is the economic context. As the chief economic adviser to former Prime Minister Tony Blair said, the Government had a golden economic legacy. That was not the case this time, and that is a reality. We talk about strategic reviews, but they are within the context of the reality of the spending environment. There was no way in which the spending review could have been completed at a time scale different from that of the SDSR. That is just the reality, it seems to me.

There seems to be a legacy, going back to '97 and beyond, in which decisions were delayed. The decision last year to slow the rate of the QE class carriers was absolutely the right thing to have done in the context of the bigger pressures to release money for Afghanistan, but that will mean that £600 million in extra spending will be required later. The top 15 equipment programmes are £8.8 billion over budget, with a 32-year cumulative delay. These are real challenges.

As a layperson, I look at the situation of Nimrod. I look at how the number of aircraft ordered was reduced from 21 to nine and the cost per aircraft was increased by 200%. When I also consider that it was eight years late, I see that there are fundamental problems in the whole system of government.

The second factor is making Afghanistan the No. 1 priority in the review. We can say with some confidence that the decisions made in the SDSR were completely necessary and absolutely right in respect of our commitments—more than 9,000 troops in the theatre of war. That costs a lot of money. The problem of all defence reviews is that they seek to address the long-term strategic issues. That, however, can never be done in isolation; it has to deal with current realities.

There will be some positive consequences. Those listening to the debate who have family members in Afghanistan can be assured that the full range of training and equipment is now available. Support for families is as it should be and the previous Government took good steps in that direction during their last year in power. The doubling of the operational allowance is also to be welcomed.

I am trying to be as quick as I can. The third issue that I would like to touch on is procurement. Procurement issues are systemic; there is no clear balance of power—or the balance is not right—between the MOD and the defence industry. The relationship is probably flawed. I hope that, as we see the defence industrial strategy emerge—after the SDSR, unhelpfully—we will have a serious examination of what is going on and what is required. I fear that sometimes the political pressures that obviously influence the MOD's decision making have led it to prop up industry ahead of making the best decisions in defence terms.

I acknowledge the contribution made by the hon. Member for Glasgow South West (Mr Davidson); of course there needs to be an understanding of what long-term capabilities we need to invest in, but that must not always be as a substitute for making the right defence decisions for our country's long-term interests. Often, we do not have the same person managing the procurement process. There is a change of scope and a lack of ownership. The MOD suffers and the taxpayer suffers, too. That is a critical issue that needs to be addressed.

My fourth point is about the capacity to change, which does not exist across the services in sufficient quantity. One commentator over the summer referred to the SDSR debate—or discussion, or negotiations—as a knife fight in a phone box, which is a pretty horrible analogy but one borne out by an assessment in the immediate aftermath of the SDSR announcements of which services won. I do not think that that is helpful in edifying the consequences and impact on the defence of this nation.

Let us consider some of the specifics. We have heard a lot this afternoon about the decision on the Harriers, but my concern would be about the extent of that gap in capability and how long it will take us to get the capability in place to fill that gap. Will the Tornadoes be viable for the length of time that they will potentially need to fill the gap and how much money will be required to fill some of the gaps? There is a great deal of supposition about how some of these things might work out. That might be from necessity—it is absolutely right to say that the financial pressures have been dominant in the entire decision making process—but some real concerns about capabilities that might be lacking in the near term need to be addressed.

As my hon. Friend the Member for South Thanet (Laura Sandys) said, by 2020 more than a third of our energy will be delivered by water-borne means, particularly liquefied gas. We have seen the emergence of piracy on our seas. Such things might proliferate and it is difficult to determine the risk that will face our country. I am concerned that there will be a delay in the readiness of capabilities.

It is absolutely clear that there needs to be greater capacity among the services to harmonise—for example, to harmonise the frequency of deployment, particularly as the Navy and the RAF will be working more closely together. As significant reforms of allowances will need to take place, it is important that that is done with care and fairness. I was talking to a constituent just a few weeks ago who has moved with his family nine times in the past 11 years. I hope that when decisions are made about the continuation of the CEA—the continuity of education allowance—they will be made fairly so that people can have continuity in their education. That seems to me an appropriate need, not a perk.

The SDSR could never have achieved all that it set out to achieve, because of the legacy, the challenges of procurement and the real issues to do with managing a budget that was pretty restricted. It was always going to be difficult, but I think there are grounds for optimism. I commend the Secretary of State for fighting hard and doing the best he could in extremely difficult circumstances.

5.8 pm

Elizabeth Truss (South West Norfolk) (Con): I have found this a very interesting debate, and I was particularly interested in the comments made by my hon. Friend the Member for Salisbury (John Glen) and the hon. Member for Glasgow South West (Mr Davidson) on the subject of the Tornado. One thing that the defence review got right was the retention of the Tornado fleet, not least because of the role that that aircraft is performing in Afghanistan. I know that there is a discussion going on about the future base of the Tornado, and I want to suggest—[HON. MEMBERS: "That it stays at Marham."] The right hon. Member for Coventry North East (Mr Ainsworth) and the hon. Member for Merthyr Tydfil and Rhymney (Mr Havard) have the right idea about where my speech is going.

I understand that there will have to be a reduction in the number of squadrons, and it is right that we look at the future basing of the Tornado. However, it would be a grave mistake, both financially and militarily, for that capacity to move away from RAF Marham. The brave men and women of 2, 9, 13 and 31 Squadrons have all been fighting in Afghanistan. Recently, 2 Squadron returned to much fanfare in the streets of Swaffham. Although Air Force personnel are very popular locally, nationally the role that they have played in Afghanistan is not well known. Quite a lot of it comprises covert operations that are not necessarily publicised. They also give support to our ground forces through close air support, shows of presence and shows of force, which the Tornado is capable of doing at any time of day and in any weather conditions, unlike any other aircraft. In addition, they do vital intelligence, surveillance and reconnaissance work. I was privileged to be shown around the air base, where I saw the tactical imagery intelligence wing and the raptors that are installed on the Tornado fleet, which are very high-tech and innovative. These images are used not only by our forces but by our allies, and they are forming a very important part of the combat striking that is going on in Afghanistan.

I want to pay particular attention to the engineering and maintenance work that takes place at RAF Marham. That work used to take place at eight different bases but has been centralised at Marham. I understand that it is a third more efficient than the US equivalent because of all the work that has gone into ensuring that it is more cost-effective. I have heard—this is just an estimate—that it would cost £50 million to move that engineering capacity to an alternative location. Given the deficit situation that we face, it would be a grave mistake to move it for political reasons when it makes economic sense to base it at Marham.

RAF Marham is also in an excellent strategic position in relation to the conflict in Afghanistan. Unlike other bases, there is no need for in-flight refuelling in order to get to the forward operating base in Cyprus, because Marham has a very long airstrip that is suitable for all varieties of aircraft, and it is near to Lakenheath and Mildenhall—key bases for our allies.

The maintenance and engineering functions are very important for our local skills base in west Norfolk. I recently visited Swaffham Hamond's high school, where several pupils are talking about joining the RAF and getting involved in that engineering work. This is an area with relatively high unemployment, where there is not a great variety of highly skilled jobs, and RAF Marham contributes greatly in that respect. If it were to be closed and moved elsewhere, that would remove a key source of aspiration from the local economy. The employment figures for King's Lynn and west Norfolk unfortunately show that the area has 7.4% unemployment. The other base that is being suggested for the Tornado is Moray in Scotland. That area has 4.8% unemployment, so there is much higher unemployment in the Marham area than in its Scottish equivalent. I want to add that to the debate.

It is not only right economically and militarily for the Tornado to be based at Marham; it makes more sense in terms of employment and the long-term impact that removing such a base could have on the constituency. There has been much discussion about the potential impact of closing two bases in Scotland—Kinloss and Lossiemouth. However, bases in the area surrounding Marham have also been heavily hit. Cottesmore and Wittering are under threat because of what is happening with the Harrier. Coltishall was closed in 2006, and that had a very considerable impact on Norfolk. East Anglia has not been immune from cuts over this period and is, as I say, an area of higher deprivation than the equivalent part of Scotland. Instead of looking to relocate the engineering facilities that I have mentioned from RAF Marham, which has a very good cost base, we should look to its being a future base for fast jets such as the joint strike fighter. I am very keen to discuss that further with the Ministry of Defence.

5.14 pm

Penny Mordaunt (Portsmouth North) (Con): The long-awaited and long-overdue SDSR has been an extremely difficult task, and I place on record my thanks to the Secretary of State, his team and all those who have worked on the review. Portsmouth base alone considered 900 options over the summer, and I pay tribute to the Navy and civilian staff for doing an incredible job in a very short time.

I am delighted that the review has not been sea-blind and has shown an appreciation of the role that the Navy plays and its contribution to other Departments such as the Foreign Office, the Department for Business, Innovation and Skills and the Treasury. That contribution is not just about our country's security but about our entire way of life—our ability to trade, our hydrographical and meteorological services, tackling crime and providing help in times of crisis. However, the breadth of its role should never detract from the depth of its contribution to the defence of the realm.

To see the scale of the challenge that the SDSR presented, one just has to examine the disparity between what the 1998 strategic review suggested for the Navy and the current number of ships in service. For example, it suggested 12 Type 45 destroyers, and we are building only six. In future, to close the gap between need and affordability and to preserve the development and maintenance capabilities that we want in our bases and dockyards, we need a planned but flexible approach to procurement and to maximise every opportunity to increase UK exports. We must get away from small orders built at lightning speed, which short-change the Navy and the yard and place stress on the defence budget. I am delighted that we will focus more on industrial strategy and defence diplomacy, and I look forward to the opportunity that the Type 26 will bring to improve procurement practices and increase exports.

[Penny Mordaunt]

We should remember that we have not sold a new Navy-designed ship abroad since the 1970s, but it is achievable. We are already selling standard kit to the US navy, and British gas turbines will power the DDG-1000 destroyer and are already powering the USS Freedom. I urge the defence team to focus on trade deals where they are viable and strategically advantageous.

During the course of the review there has been much discussion of the inflexibility of the carrier contracts, as well as costly delays to the programme. Many Members have formed the view that that is why we are to have the carriers. I wish to use this opportunity to set the record straight. There are considerable running, docking and maintenance costs attached to having the carriers, and I do not believe we would have them if we had not concluded that they were absolutely necessary. I echo the point made by my right hon. Friend the Member for North East Hampshire (Mr Arbuthnot), who said that we needed two carriers if we were to have them available every day of the year. However, that can be no excuse for poor procurement and inflexible contracts, even for vital items.

My hon. Friend the Member for New Forest East (Dr Lewis) is absent from our Benches today. Sadly, he is attending the funeral of the late Councillor Alan Shotter, his friend and election agent. If he were here, he might well be arguing that we should lock ourselves into a contract for Trident's replacement, such is his concern about the matter. I know that he would be pressing the Secretary of State on that matter and joining in the views expressed by my hon. Friend the Member for Gainsborough (Mr Leigh). My hon. Friend the Member for New Forest East wrote in a recent article that

"time and again, we hear the facile refrain that complex modern weapons systems are 'legacy programmes, irrelevant to the threats we face now'."

We have heard that said about the carriers and about Trident during the review. I know that my hon. Friend will continue to make the case for early sign-up to Trident and remind the House why continuous at-sea nuclear deterrence is so important, and I will continue to remind the House of the importance of carrier strike.

The arguments that we heard over the summer that carriers would be deployed only in the event of a world war are plain wrong, and ignore the fact that we have deployed carrier strike force in every humanitarian and conflict situation that we care to mention—the Falklands, Bosnia, Kosovo, Sierra Leone, Iraq and Afghanistan. It has extended Britain's reach into land-locked countries across the globe. Even when the carrier fleet has not been pressed into action, its constant presence has served as a deterrent to those who would harm us and our interests. I urge the defence team to do all they can to plug the gap in the carrier strike force, which some defence analysts have said has existed since 2005.

I want the House to be excited about the new carriers. I am disappointed about the retirement of the Harrier, and I note the Secretary of State's comments on the matter. The decommissioning of the Ark Royal is also sad. Her battle honours are many, most notably in Iraq in 1993, and they will never be forgotten. However, the QE class carriers will continue her legacy. For those not familiar with those amazing ships, the Ark Royal can fit comfortably on one of their flight decks. They are amazing, and I urge all Members of the House to take every opportunity to see them being built—built with great skill in British yards. They are well able to meet the challenges of this unpredictable world. They are multi-use, they provide value for money and they will last 50 years. We will use them, they will prevent conflict and they will lead our response if and when the most dread circumstances arise.

The green light for both carriers to be built gives Portsmouth base the stability to develop further as the home of the surface fleet. The SDSR and countless other studies have always concluded that Portsmouth should be the home port. Hon. Members who take *The Times* will be familiar with my favourite political sketch writer's column. In her coverage of Monday night's well-attended Adjournment debate, she confused the names of the base port, Faslane, and the maintenance dock, Rosyth, to produce Forsyth. Whether that was by design or error, it was very apt, because for many years we have had Scottish Members of Parliament and Portsmouth Members of Parliament yelling "Higher, higher" or "Lower, lower" at successive Secretaries of State in debates about where the carriers' home base should be. Although I am a fan of Brucie, I am glad that we can draw a line underneath that and that Portsmouth will be the carriers' home port.

Mr Arbuthnot: Did my hon. Friend share my alarm when she saw the headlines about two weeks ago saying that Portsmouth might close down? Did she think that basing the carriers there would make that much less likely, until she decided that the story was something to do with a football club?

Penny Mordaunt: Over the summer, there have been headlines about Portsmouth and many other bases, which has caused great stress for people working in the industries affected, and I am glad that they now have a clear path and reassurance. I never worry about such headlines about Portsmouth, because I know the excellent partnership that exists there between the private sector and the Royal Navy. However, my right hon. Friend is absolutely right that the carriers now give us the green light to develop services further.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): Does my hon. Friend not also recognise that Plymouth has a significant role to play in the defence of our country? Making sure that we have an amphibious fleet will be important.

Penny Mordaunt: Absolutely. One great outcome of the defence review is that all three of our Navy bases—Faslane, included—will have a role in servicing the Royal Navy as we go forward.

In Portsmouth, we have the work force, the suppliers, the accommodation, the training and the supply chain facilities. It should not be forgotten that we also have the correct weather conditions to enable safe transit to and from the open sea. As we go forward to discuss the maintenance of the carriers, I very much wish Rosyth the best of luck in securing maintenance work, but a lot will have to be done in Portsmouth because of the opportunistic nature of the refit work, which results from the operational pressures on carriers. It also means that we can now progress in generating our own power

and enhance our refit and maintenance services. The excellence of that unique partnership between the Royal Navy and the private sector means not only that Portsmouth will remain the home of the Royal Navy, but that it is fast becoming the port of choice for navies around the world. The city should be incredibly proud of that achievement. It has nothing to fear from an off-the-shelf approach to procurement, such is its excellence in build, refit and training.

I shall end with an appeal to all hon. Members. Now the SDSR is over, we should continue to keep defence high on our agenda. This is the starting point. Much is yet to be decided and we must ensure that as this Government put the country back on a financial even keel, we continue to make the case for excellence in procurement and maintaining defence budgets, for the benefit of servicemen and servicewomen and our country. Although we will not reopen the SDSR, we must ensure that we fully understand the reasons for the decisions that have been taken, such as on the Harrier, better to understand what future decisions might be. As we do so, as I am sure all colleagues will, we would do well to remember the Ark Royal's motto: "Zeal Does Not Rest".

5.26 pm

Mr Kevan Jones (North Durham) (Lab): We have had a good debate, including 15 contributions from Back Benchers. As one of them said earlier, the debate has been well informed.

May I begin by paying tribute to the men and women of our armed forces and their families? It was a privilege to work with them as a Minister. May I also say a big thanks to the civil servants with whom I worked? They have been unfairly targeted as the problem, when in fact they are dedicated individuals without whose work we could not project the operations and power that we have in support of our armed forces. May I also put on record the thanks of Labour Members to Sir Jock Stirrup and Bill Jeffrey at the MOD? It was ironic that the Defence Secretary congratulated those two individuals when he was the one who basically announced their departure in the Sunday newspapers the week before the official announcement. Those two people were committed to the defence of this country, and I put on record my thanks to them.

The hon. Member for Mid Sussex (Nicholas Soames) raised the issue of cadets and the university training squadrons. As a Minister, I had responsibility for those, and I met some fantastic individuals who greatly benefited from those organisations. I put on record my thanks to the volunteers who work hard—unpaid—in the cadet force throughout the country. They are a large volunteer army who work to support young people. Those young people not only experience military life, but take that discipline and structure into their lives.

The hon. Gentleman referred to reserves. I am a little disappointed that there will be yet another review of reserves. The previous Government reviewed reserves, and it would have been interesting to see the implementation of that work. I am also disappointed that there are as yet no terms of reference for the next review. It will be interesting to see how reserve forces fit into the restructure of the Army.

I agree with the hon. Gentleman on his call for the Government to take a more purple approach. However, in my experience—perhaps he shares it—the biggest problem on occasions for Defence Ministers is inter-service rivalry at chief level on different programmes. He also reiterated and repeated the point about a £38 billion black hole. As on many things, this Government believe that if they repeat something often enough, it will become fact, but I have now tabled a question to ask where that figure comes from. It has been a convenient cover for the spending cuts review.

If we look at last year's National Audit Office report, we see that the figure on the procurement side could only be between £6 billion and £36 billion. The only way to get to the figure of £38 billion is to apply a cash freeze over the next 10 years. In addition, the figure of £38 billion would apply only if we had to pay for equipment tomorrow, which people know we do not. That figure has been a convenient cover for some of the things that the MOD is implementing.

My right hon. Friend the Member for Coventry North East (Mr Ainsworth) made a good contribution. I thank him for the support he gave me when he was Defence Secretary. It is interesting and strange to hear Government Members now thanking and praising him for being such a good Defence Secretary, given that last summer he was being pilloried by every national newspaper and Conservative Members. However, he has been rightly rehabilitated. He raised issues concerning Afghanistan, including the date of 2015, which was plucked out of thin air by the Prime Minister. It is important that we have a conditions-based draw-down from Afghanistan, and it is clear that if, come 2015, we need to retain that combat role for longer, that ought to be our position. It would be a huge mistake if the hard work, dedication and sacrifice put in so far in order to make progress in Afghanistan were to be jeopardised for purely political purposes. That would be wrong.

My right hon. Friend made an interesting and important point about the withdrawal of Harrier and short take-off and vertical landing capacity, which leads to another issue raised by the right hon. Member for North East Hampshire (Mr Arbuthnot), the hon. Member for Gainsborough (Mr Leigh) and my hon. Friend the Member for Glasgow South West (Mr Davidson). I am glad that today the latter did not call for a third, fourth or fifth carrier, as he normally does. However, he summed up the matter quite well: they are called "aircraft carriers". It is in the name! They should have aircraft on them.

Over the past few weeks, the Government have tried again to throw mud and confuse the issue by saying that the contract entered into for the carriers was a wicked plot by the last Labour Government, and that it was a bad deal. That continued yesterday with this nonsense from the Chief Secretary to the Treasury, when he said to the Treasury Select Committee that this was an "unusual contract". It was not an unusual contract at all; it was a complex contract. It was exactly what my hon. Friend the Member for Glasgow South West talked about: it was about restructuring the shipbuilding industry in this country to ensure our continuing sovereign capacity. However, it is now convenient to demonise the contract for political reasons.

The contract is also supported by BAE Systems. By chance, I have a letter sent by Mr Ian King to the Prime Minister when the review was ongoing, pointing out

[Mr Kevan Jones]

that the contract represented a long-term restructuring of the maritime manufacturing capacity in the UK and that BAE Systems had already invested about £500 million of its own shareholder money in it. Clearly, he sent the letter because he was worried about the Government cancelling the contract for the second carrier. The final paragraph of the letter reiterates the problem with the Government's approach to the review. Instead of having an all-encompassing review involving the industry, it tended to excluded people. He wrote:

"But I fully stand behind it and would welcome the opportunity, which we have not had, to present this to you"

to explain the reasoning. That has been the problem with the review, unlike our approach, which was about involving industry, Opposition parties, academia and others. Instead, we have had a cuts review, which has been Treasury-led and has led to some very short-term and dangerous decisions.

Mr Davidson: Does my hon. Friend accept that had the second carrier been cancelled, the results would have been the closure of the shipyards and a permanent loss of capacity, and Britain would no longer have had the ability to build the Type 26?

Mr Jones: That is an interesting intervention. I would have to refer to Mr King's letter, which states that if the second carrier had been cancelled, the shipbuilding yards would have closed by 2012, removing all capability for future naval shipbuilding in this country. We have to stop the spin and excuse-making, and the Government have to start explaining and justifying some of their decisions.

In his usual robust way, the hon. Member for North East Hampshire, who is Chair of the Defence Committee—I was privileged to serve under him—said that the process of the review was rubbish, which is obviously a technical term. It was rushed, and the Committee made it clear that mistakes will be made, and that they will be at the cost of our security and defence.

The right hon. Gentleman, the hon. Member for Gainsborough and the hon. Member for Portsmouth North (Penny Mordaunt) referred to the deterrent and Nimrod. The revision of history, which is remarkable, is that somehow we can take capacity such as Nimrod out without an explanation of what will replace it to protect our nuclear deterrent. That worried the Secretary of State when he wrote to the Prime Minister stating that cancelling Nimrod would seriously affect the deterrent. I would like to know what will replace it, and at what cost. The parliamentary answers that I have received so far have been uninspiring.

The Trident issue is important. It is clearly a political fudge to help the coalition Government stay together, and it is interesting that the Liberal Democrats are going around trumpeting the fact that they have won the argument. The fact is that we were accused of moving the main gate on the run-up costs for the carriers, but that is exactly what the Government have done with Trident. The only difference is that when we considered the matter, there was a question mark about whether the first boat that goes out of service in 2024 could continue until the new in-service date of 2028. It would be interesting to know what has changed in terms of the engineering capability to be able to do that. It is clear that the Labour party has been, and is, committed to the nuclear deterrent. It is important that decisions are taken, not just for the country's security, but for the skill base and confidence that that skill base needs in procuring that vital piece of equipment for our defence needs.

The right hon. Member for Lagan Valley (Mr Donaldson) paid tribute to the armed forces in Northern Ireland, and I add my thanks to them. When I made visits as a Minister, I paid tribute to the work of 19 Light Brigade in Afghanistan. The right hon. Gentleman made serious points about the rise of terrorism, which shows the wide spectrum of the defence and security issues facing us. I also pay tribute to a member of his family whom I met on several occasions. His brother, Lieutenant-Colonel Kingsley Donaldson, makes a great contribution to the armed forces. He is proud of his brother, although when I first met him he asked me whether I knew his brother, and I said that I had met him once or twice.

The hon. Member for Merthyr Tydfil and Rhymney (Mr Havard) made an interesting point about defence industrial strategy. We have been told that it will come out in a few weeks, post the review that we have had. It will be interesting to see whether it gels together, having set the framework already.

My hon. Friend the Member for Bridgend (Mrs Moon) and the hon. Member for Vale of Glamorgan (Alun Cairns) talked about St Athan. Again, the Government are revising and rewriting history. A savings measure in the defence review suggests that extra savings will be made by centralising training and with greater use of electronics. That is exactly is what St Athan is about, so I do not know how they will achieve that without St Athan.

The hon. Member for Colchester (Bob Russell) rightly paid tribute to the Paras in his constituency. I was pleased to visit Colchester on several occasions. On one occasion, I threw him out of a plane—unfortunately, with a parachute attached. However, he is a great supporter of the Colchester garrison, and I pay tribute to its sacrifice and its work.

The hon. Member for Salisbury (John Glen) was also trying to rewrite history, when he talked about strategic thinking—he was trying not to get in trouble with his Whips. It seems that year zero is now 1997 and that nothing happened before. There is a clear point to be made—a point that was also made by the hon. Member for Harwich and North Essex (Mr Jenkin)—about strategic thinking, which is important across Government. However, I have been at the coal face on occasions, and with the operations in Afghanistan and Iraq, day-to-day decision making can interfere with the process. Sometimes it is important to step back, but it is difficult to do that when having to make clear decisions on Iraq and Afghanistan.

My right hon. Friend the Member for Leicester East (Keith Vaz) apologised for unfortunately being unable to attend this part of the debate. He made important points about Yemen and congratulated the Government on establishing the new National Security Committee. A promise was made in opposition that the NSC would have Opposition Members on it, but that promise seems to have been ditched. It has also been said that the

previous Government did not have something like that, but we did, with the NCIS committee—the committee of the National Criminal Intelligence Service—which met weekly under the chairmanship of the Prime Minister. Its key issue most weeks was the contributions being made in Afghanistan. That was important.

One issue that was mentioned by the hon. Member for Colchester, and which needs to be raised again, is helicopter capacity in Afghanistan. It is interesting that since the coalition Government have come into being, all the equipment problems that we had in Afghanistan seem to have ended and everyone is now happy. We were criticised heavily by both the hon. Gentleman and the Conservatives when they were in opposition about helicopter capacity. I tabled a question last week to find out why the order for 22 Chinook helicopters had been reduced to 12. I consulted my former colleagues last night, because the reply that I received in a written answer says that 22 helicopters were never ordered. That is not true. We ordered 12 helicopters, and then there was a letter of understanding with Boeing for a further 10. I am sure that that is standard practice, so as to improve price controls and ensure that the specifications are up to date, so it will be interesting to know what has changed since, and also whether the unit cost of the 12 helicopters being purchased will increase, now that the overall number has been reduced.

In his best-selling book, "Cameron on Cameron", the Prime Minister said that we need

"a defence review based on our national security, not on Treasury guidelines".

How hollow that sounds today. In government, we were keen to ensure the widest possible participation in the debate about the future defence needs of our country. We included academics, industry and Opposition parties, in full consultation, to try to reach a consensus on defence, thereby not only ensuring the right posture for our future defence needs, but performing the important role of supporting our armed forces. Unfortunately, that was binned in May. What we have seen since is a Treasury-led cost-cutting review. Industry has been excluded from most of the work streams. The Conservative Chair of the Defence Committee, the right hon. Member for North East Hampshire, has said that

"mistakes will be made and some of them may be serious."

As my right hon. Friend the Member for East Renfrewshire (Mr Murphy) said earlier, let us hope that that is not true, even though it sounds as if it will be.

The SDSR was an opportunity to step back for a moment—to learn the lessons of the past decade and put in place a sustainable posture for our armed forces and defence. Sadly, that opportunity has been missed. As the Defence Secretary himself said, in his unexplainably leaked letter, the process is looking less like a proper SDSR and more like a "super CSR". The Conservatives in opposition offered a great deal for our armed forces at the election. They promised a larger Army, but they have cut it. They promised to look at after-hours service personnel, but one of the first things they did was to freeze pay and reduce pensions. They promised a strategic defence review, but they have given us a cuts package and a review. Even today, we have heard the Defence Secretary say that some of these Treasury-led proposals will present us with what he called "calculated risks"—I would say "dangers"—for the future of our country's defence and security.

In conclusion, my fear is that the dangerous short-term decision making in this review will be a repeat of the 1990s, when short-term savings were the mantra rather than long-term strategy.

5.45 pm

The Minister for the Armed Forces (Nick Harvey): This has been an excellent debate—interesting and wide-ranging—which is no surprise, as the House contains many Members who are well informed, interested and passionate about defence and national security; while many Members' constituents will be affected by the decisions in the strategic defence and security review.

The SDSR is underpinned by the new national security strategy, which presents a picture of Britain's place in the world and a full assessment of the challenges we face and the opportunities available to us. It is the first-ever national security strategy that really decides priorities for action and feeds directly into decisions about resources. It was the force driver for the decisions we have made.

Let me echo the Secretary of State by reinforcing the idea of how difficult this has been, particularly in the Ministry of Defence. We have been acutely aware of the human impact of the decisions we are making—not only on jobs and livelihoods, but on the emotional attachment that people have to certain aspects of defence. Our decisions have had to be objective and unsentimental, and based on the military advice we have received. We simply have not had the luxury of self-indulgence or populism. The fiscal deficit is an issue of national security. Without regaining economic strength, we will be unable to sustain in the long term the capabilities required, including military capabilities, to keep our citizens safe and maintain our influence on the world stage. Every Department has had to make a contribution to deficit reduction, and the Ministry of Defence has been no exception.

We still have to live within our means as the deficit is addressed, which means also tackling the unfunded liability in the Defence budget. So the decisions we have had to make have been necessarily tough and finely balanced, and it means smaller armed forces as we make the transition to the future force structure set out for 2020 and beyond.

Before I turn to the specific issues raised in the debate today, let me say this: the decisions we have made are coherent and consistent and will provide us with the capabilities we require for the future. The campaign in Afghanistan has been protected; nothing has been done to compromise success there.

It was a pleasure to welcome the new shadow Defence Secretary to his Front-Bench role. I thought he made a very fair speech. He welcomed the five-yearly SDSRs for the future and he specifically acknowledged the up arrows on certain capabilities for the future, including in cyber-security. He referred, as did some other right hon. and hon. Members, to written parliamentary questions, showing that many of the details that will flow from the strategic defence and security review have yet to be worked out. I make no apology for that. It is essential that the House should understand the difference between a strategic review and a detailed plan. The SDSR has established a strategic aim-point and it is absolutely right to take more time working out, bit by bit, the details of what this will mean for each and every different aspect of defence.

[Nick Harvey]

We heard an excellent speech from the hon. Member for Mid Sussex (Nicholas Soames). He was quite right to say—I am grateful to him for doing so—that we have had to make cuts that we would not have wished to make. That, unfortunately, is the true scale not only of the financial backcloth to the SDSR, but of the legacy left by the last Government. He made some interesting points about reserves, calling for a fundamental reappraisal of the way in which we use them. He rightly pointed to the much wider use of reservists made in the United States. The US certainly uses them on a far greater scale, and as a consequence they are much cheaper than the regular forces there. One of the difficulties that we must tackle is that our current model for reservists makes them extraordinarily expensive. We will have to find a better and more effective way of using them in the future.

The hon. Gentleman was right to say that the SDSR was just the start of transformation. He mentioned the permanent secretary's inaugural speech. I am sure that when she spoke of the next planning round, she was expecting it to be not the sole means by which reform would be pushed forward, but simply one among many. I also had a great deal of sympathy with the hon. Gentleman's comments about the Ministry of Defence being centralised, and about problems with accountability and vested interests. I entirely agree with his view that we need a more purple approach.

The former Secretary of State, the right hon. Member for Coventry North East (Mr Ainsworth), very fairly acknowledged the financial backcloth, and said that he thought the review amounted to a fair stab. However, I entirely disagree with his suggestion that the 2015 timeline for exit from Afghanistan was somehow party political, or had something to do with the dynamics of the coalition. It was an entirely sensible and rational end point to specify, in the light not of only President Obama's stated plans but of President Karzai's intention to achieve full transition of security powers by the next presidential election.

There are many different audiences when remarks of that kind are made. It is essential for public opinion in ISAF countries to understand, to some extent, the length of the engagement, for the armed forces to understand it, and for the people of Afghanistan to know how long those forces intend to be there. They do not want foreigners in their country for ever. If the political process that Members in all parts of the House want to see in Afghanistan, along with the military effort, is ever to gain any momentum or reach any conclusion, it is vital for President Karzai and others to understand some sort of time scale as well. It seems to me that to state, as the Prime Minister did, that by 2015 our troops would no longer be involved in a combat role on the ground was eminently sensible. It does not mean that all our troops will be out by then, or that there will not be an ongoing role for them; it simply means that the combat role will not continue beyond that point.

Mr Ainsworth: May I ask the Minister whether the Prime Minister consulted either him or the Defence Secretary before he made that statement? If those were the reasons, he would have done so.

Nick Harvey: I cannot say that I had any conversations with the Prime Minister, but discussions between the Secretary of State and the Prime Minister are the confidential discussions that they would be expected to have. We are not going to be drawn into that sort of discussion at the Dispatch Box. The Prime Minister made a statement with which we are comfortable, and which we are making every effort to enact.

The right hon. Gentleman asked about the 2% NATO figure. Let me make it absolutely clear to him that throughout the spending period that we have outlined today, we will remain above NATO's 2% figure without resorting to the sort of things that NATO includes in its figure, such as military pensions. The defence contribution towards cyber will certainly count towards that, but the efforts on cyber are cross-governmental. In that sense, I am including only the defence contribution. The right hon. Gentleman made some good points about force generation; those issues will be examined in depth in the coming months.

We also heard from the Chairman of the Select Committee, the right hon. Member for North East Hampshire (Mr Arbuthnot), who made criticisms of the process that we had heard before, but thought that the outcome was OK. He asked what "extended readiness" meant when applied to the second carrier. Let me make it perfectly clear to him that no decision has been made to sell it. Further decisions on what we will do with it can be made several years from now, and will depend on what the security considerations are at the time.

The right hon. Member for Lagan Valley (Mr Donaldson), who speaks for the Democratic Unionists, rightly paid tribute to the work of the armed forces in Northern Ireland over a period of years. He also warned us of the increasing security threat. I do not want to get drawn into saying anything more about that, but let me simply say that it is fully acknowledged. He also made points about the regional footprint of our armed forces throughout the United Kingdom. For military purposes, we are very keen for the footprint of defence to be felt throughout the UK.

The hon. Member for Gainsborough (Mr Leigh) said that the Navy was being left very thin—I forget the precise word that he used. We understand that we are undertaking risk now, but we hope very much that that will enable us to make our way to having a bigger and stronger Navy in the future. We are also retaining the ability to reconstitute, if that will be significant or helpful.

The hon. Member for Merthyr Tydfil and Rhymney (Mr Havard) wanted to know more about the future details. Detail will emerge in the next few months as we work through the key points. He and a couple of other Members asked about St Athan. The Metrix project for St Athan failed. Unfortunately, it did not come up with a viable business plan within the deadlines that had been laid down and the finance could not be found, although a fair stab had been made. I entirely accept that the financial markets are very different now from what they looked like when Metrix made its bid and embarked on the programme; the world is different today. However, we have to face the unfortunate reality that it failed.

The hon. Member for South West Wiltshire (Dr Murrison) rightly said that the military covenant needs formalising. That will happen in the next few

months. He also spoke about mental health—a topic about which he has acquired considerable knowledge. The hon. Member for Bridgend (Mrs Moon) and several other Members raised the Nimrod issue. The Secretary of State has offered to hold further discussions with the Opposition Front-Bench team on how we intend to bridge that capability gap.

The hon. Member for Harwich and North Essex (Mr Jenkin) spoke of the need for a national strategic assessment centre. That is an interesting idea worthy of further consideration. The hon. Member for Rutherglen and Hamilton West (Tom Greatrex) asked about the troops coming home from Germany. I simply cannot agree that that should have been worked out in every last particular before the intention to do it was ever declared, but he did make the good point that people will want to understand what is going to happen, when it will happen and in what order. We will do our best to address that in the coming months. An Opposition Front-Bench Member made the specific claim that we had not discussed that with the German Government, so let me make this perfectly clear: the Federal Government have supported the British military presence in Germany for more than 50 years—it has been a symbol of our steadfast friendship with Germany—and the Prime Minister discussed this matter with Chancellor Merkel during the course of the SDSR.

Mr Kevan Jones *rose—*

Nick Harvey: I will not give way to the hon. Gentleman, as time is running out and he left me rather short. On the issue of the troops in Germany, proper letters will be written when we come to make specific moves.

The right hon. Member for Leicester East (Keith Vaz) asked about Yemen. The equipment he inquired about is being procured at the moment, and we are working closely with the Yemeni Government with the aim of providing that equipment by the end of the year.

The hon. Member for Glasgow South West (Mr Davidson) wanted to know whether we had had discussions with the French or the Americans about their potential use of a carrier fitted with "cats and traps". Yes, of course we have; we have had lengthy discussions with both of them. He also asked whether the second carrier would have "cats and traps" fitted. We can decide that at any point in the future; we have left ourselves the flexibility to do that.

My hon. Friend the Member for Colchester (Bob Russell) rightly spoke up for the brave men and women from the Colchester garrison who are going to Afghanistan. He champions their cause well, and we all wish them well in their endeavours. Other Members made constituency points on behalf of Marham and Portsmouth, and I will do my best to keep in touch with them about the developments in their areas.

The SDSR has been a difficult process, but I think people that will recognise that it is the start of the transformation of our defence, not the last word. I look forward to many further debates in the House as the details of what it will mean for every different aspect of defence is worked out in the coming months.

Question put and agreed to.

Resolved,

That this House has considered the matter of the Strategic Defence and Security Review.

Simon Robertson

Motion made, and Question proposed, That this House do now adjourn.—*(Stephen Crabb.)*

6 pm

Mr David Anderson (Blaydon) (Lab): This relatively simple debate has been complicated by the fact that it has spread across the world, as it involves an international airline. I am raising this issue as someone who has for more than 30 years acted as a representative for people in many forms of conflict and dispute, many times doing so in times of direct conflict. What I have found during those years is that there are always at least two sides to every story. I am here tonight to present one side of this story—that of my constituent, Mr Simon Robertson. He is a 38-year-old young man who had visited Japan five times before he went there in February. I wish that I could make part of the case for the Japanese immigration service and for KLM, the airline involved, but because they have not given me the relevant information I am hard-pushed to do that.

The case refers to a journey that Mr Robertson made in February. I shall read from a letter that he sent to both the Japanese embassy and the Foreign and Commonwealth Office. He stated:

"This…should be considered both as an official protest at the unacceptable and unlawful treatment to which I was the victim of, as well as an official report of criminal offences, committed against myself, by those at the Narita Airport Border Agency… The incidents to which I refer are as follows:

Recently, I arranged to make a long trip to Japan. I was to stay in your country for 89 days and while I was there, I was to have meetings with numerous individuals as well as seeing some friends of mine. The trip was to last from 4 February…until 4 May 2010. Arrangements had been made to hold meetings during that period, and these meetings were over various topics, but the main business reason was to make preliminary investigations as to expanding my business operations."

He included the details of his trip in the letter to the immigration service. He continued:

"I accurately filled out an immigration form, while on the aircraft and I arrived at Narita on 5 February….I presented this form along with my passport to the Narita Border Agency. For unknown reasons, the official queried this information and then took my airline tickets and my passport from me and I was taken to a separate room.

While I was there, I was interviewed by another official, who despite being told by me on numerous occasions in both English and in Japanese, that my Japanese was poor, insisted in conducting this interview solely in Japanese.

After a while, I was led into another room, where I was investigated by a different inspector. He wished to know my purpose of my visit. I explained very clearly what the purpose was…I pointed to the address of Mr. Junji Abu and his family, who I was to visit. They were aware that I was coming and they would confirm this to the investigator. He telephoned Mr. Abu and returned. At this point, his entire tone and manner became extremely hostile. He demanded to know about the relationship between myself and Mr. Abu's daughter called Yuuko. I correctly stated that I had known…Yuuko…for 17 months, we speak everyday and are close. At this point, the questioning became even more outrageous. The investigator demanded and shouted over and over: 'Are you going to marry Yuuko?' He repeated this question six times and on the first five occasions I stated that we had not decided that at that time. On the sixth occasion, I said that this decision was a matter between myself and Yuuko. At this answer, the investigator got angry and stated that he would oppose my entry to Japan.

I consider this to be an outrage. My relationship with Yuuko is a matter solely between myself and the Abu family. It is not a visa requirement of any country that visitors must marry one of their citizens, in order to be granted a visa.

Subsequently to this, I was taken into another room where the same investigator spoke in Japanese, but a translator was used. At the beginning of the interview, I was told that the investigator was the judge and his decision was final. I answered all the questions accurately and truthfully, but I noticed on the investigator's desk that the decision to refuse my entry had already been written out.

I was told that my request for entry was denied and I was to be removed from the country.

I was then marched to a bureau de change where it was demanded that I give the inspector 40,000 Yen. A copy of this transaction is included within this letter as proof of this. I was forced to hand over this money and I was marched into a car and then to a cell. I was held in this cell for 24 hours where I was denied food and access to a telephone to call a lawyer or one of my friends. The guards also deliberately deprived me of sleep by continually hitting the metal door of the cell and then laughing about it, for one entire night.

The following morning, again no food was provided to me and at 12:15, I was marched into a car and to Narita Airport. I was not told where I was going, nor was I permitted to call my friends who were extremely worried about me, nor was I allowed to call my family. I was forced to wait at the gate with the guard standing right over me for over an hour. I found this to be extremely humiliating."

Mr Robertson then explains what happened when he got on the plane. His letter continues:

"The KLM Captain had been told by the Narita Border Agency that the reason that I had been refused entry to Japan was because I had arrived in Japan with the wrong documents. This was a blatant lie. I produced a copy of my travel arrangements and a photocopy of my passport to show the captain and the purser who both confirmed that my documents were all correct and in order. They said that my treatment was 'an outrage' and that I should make a formal complaint. I am sure that the KLM staff will confirm this.

Sadly, the guard did not return my passport to the purser of the KLM aircraft and instead had kept hold of it…When I landed at Amsterdam, I sought the purser to ask her to return my passport, so that I could clear Dutch customs and fly on to Newcastle. The purser stated that she did not have my passport and she sought the captain. The captain did not have my passport either and he and the purser confirmed that they had never received it at Narita.

A copy of that letter went to the Foreign and Commonwealth Office and the Japanese embassy.

On 9 March, Mr Robertson received a letter from the FCO saying that it did not have the power to investigate the matter but that it had written to Tokyo requesting that an investigation should take place. I also wrote to the Japanese embassy on 12 February asking it to investigate and on 13 April—10 weeks after the original letter—I received a letter of reply from the embassy saying that

"we have already reported this case to the Ministry of Foreign Affairs, Japan, and are currently waiting for the result".

On 25 May, I forwarded an e-mail from Mr Robertson to the new Prime Minister and the new Foreign Secretary asking them to look into his case and also to try to progress it. In the period between the original letter and 25 May, Mr Robertson had been in regular contact with the FCO, asking what was happening. The e-mail made it clear that a Foreign Office official who had been working with Mr Robertson had originally agreed to report the incident as a crime.

In the interim, Mr Robertson tried to help the FCO and the Japanese immigration service because he had been able to find out the identity of the officer who he believed had abused him in Japan. He reported that information to the new duty officer with whom he was dealing, but he was devastated when she told him that she was dismissing that information. She refused to pass it to the Japanese authorities and said that she was not prepared to report the matter as a crime. Surely, when someone makes a very serious allegation and is able to tell an official in the FCO specifically who was responsible, it is reasonable for that person to ask the official to pass that information to the Japanese authorities and ask them to investigate. Mr Robertson could not believe that the official refused to do that.

On 4 June, I received an e-mail from Mr Robertson advising me that, sadly, his girlfriend in Japan had died. He said:

"She took her own life, but she was killed by the outrageous intransigence of the Japanese Ministry of Foreign Affairs and our own Foreign Office".

On 24 June, I received a letter from the Minister of State, Foreign and Commonwealth Office, the hon. Member for Taunton Deane (Mr Browne), who now has responsibility for the far east. On whether the FCO should have reported the matter as a crime, he said that he was

"sorry for the misunderstanding"

about whether it had agreed to report a crime, but added:

"we do not agree that we have a duty to report alleged crimes to the local authorities".

I find that amazing. If someone says to a representative or an official body of this Government, "We believe a crime has taken place against a British citizen," it is just good manners, if nothing else, to say to people with whom we have a strong relationship such as Japan, which is one of our best allies, "Look, this has been said about you in your nation. We believe that this man believes that it is a crime." It may well not have been a crime, and I shall come on to that, but if Mr Robertson believed that it was, why would the Foreign Office not want to alert the Japanese to that?

The Minister also said on 24 June that the Japanese authorities had informed him that they believed that

"Mr Robertson was treated in line with their regulations and international human rights standards."

The Minister also suggested that Mr Robertson seek legal advice. So, on 24 June, with reference to a case going back to 6 February, the Foreign Office decided, "We have been told by the Japanese that everything is okay. Therefore, you should forget about it or take advice from a lawyer." To me, that is effectively the Foreign Office trying to wash its hands of the matter and move on.

Interestingly, the Foreign Office knew that information before Mr Robertson did, because he did not receive the letter until a day later, when the Japanese confirmed what we had learned from the Foreign Office—that they believed that he was treated properly. I asked the embassy to show me exactly what happened, and in the paperwork it included a flowchart of what should have happened. There was also a document on why he was refused entry. I shall read it out very slowly, because it states:

"Your statement concerning activities to be engaged in Japan in your application is not found not to be false."

There were no details of what that meant, what he had said or what they had said. Obviously, the embassy was saying, "We're not quite sure that you're telling lies, but we're not quite sure that you're telling the truth, either." It was very confusing.

In the letter, the embassy made it very clear that,

"since the individual remains the responsibility of the carrier, the immigration bureau has no involvement in the process...Mr Robertson's allegation that he was forced to hand over money by immigration officials has no basis in reality."

That is despite the fact that Mr Robertson sent on to the Japanese immigration service a copy of a receipt that had been taken while he was in Narita airport. The letter continued, stating that

"Mr Robertson's treatment...prior to removal was entirely the responsibility of the airline, any inquiries regarding this treatment, the allegation that money was forcibly taken from him or the location of his passport should be made directly to the airline."

I find that incredible. The Japanese Government are saying that it is all the airline's fault, but the airline was on Japanese soil. If it did what Mr Robertson said it did, surely the Japanese authorities should go to KLM and say, "What on earth are you doing in our country behaving like that?" Perhaps it did not behave like that, but it was the Japanese Government's responsibility, not the responsibility of someone who could not get back into the country to pursue the matter.

On 8 July, I wrote back to the Japanese embassy explaining that Mr Robertson challenged both its interpretation of the events and the role played by KLM, with which he had been in constant dialogue. I asked the embassy for a meeting with KLM in order to sit around a table like adults and talk things through in order to see exactly where we were. I expected my suggestion to be put forward, and thought it a reasonable thing to do. On 2 August, I got a letter back from the Japanese embassy, basically reiterating that Japan had acted fairly, that the "sole responsibility" for the matter lay with KLM and that my request for a meeting was refused. Again, that was less than helpful.

On 19 August—a date that I should like the House to remember because I shall come back to it—I wrote to KLM asking it for specific details about its role in Mr Robertson's detention and removal, because some very serious things had been said about an airline with a reputation. Apart from the fact that I wanted to clear up the matter on behalf of Mr Robertson, I also wanted to give the airline a chance to stop a Government saying some pretty disparaging things about it. I made the airline aware that, ultimately, if I could not get a satisfactory response, I would raise the matter, as I am doing, on the Floor of the House.

I asked KLM specifically how long Mr Robertson's passport was in its possession; exactly what happened to it; whether the airline was told why he was being refused admission to the country; whether his passport was handed over; and when. On the same date, I again wrote to the Japanese embassy asking for specific details that would expand on the denial of entry letter and on what went on, including the timing of events. I also asked about its statement,

"your application is not found not to be false."

What did that mean? What was said? What was done? What went on in that room? We wanted to gain a view of events.

[Mr David Anderson]

I again asked to have a meeting, because that would have been a sensible thing to do. On the same day, I wrote to the Foreign Office expressing the concerns and uncertainties about the whereabouts of Mr Robertson's passport; nobody seemed to know where it was. On 3 September, I received a letter from the embassy saying, "We are unable"—and, I believe, unwilling—

"to provide any further information…we are unable to respond to any further request for a meeting or any further questions concerning his removal."

The Japanese embassy was saying to me that it did not want to talk anymore and it believed that it had gone far enough. It was refusing to talk to a Member of the House. How it has treated Mr Robertson is not right, and it is also not right to have treated me in that way—not as an individual, but as somebody trying to work on behalf of my constituents. I would suggest that the same would apply to the other 649 Members.

In October, I again wrote to the Japanese asking them please to consider the position and try to give more specifics. I wanted to avoid bringing this debate to the House if at all possible; I wanted to resolve the matter in a sensible, adult way. I also advised them in the interim that I had been told by Mr Robertson that he had been approached by Amnesty International, which had said that his case was not unique. In 2002, it produced a report that pointed out that this sort of behaviour had been going on in Japan for some time. I have no proof that that is the case, but Amnesty International tells me and Mr Robertson that that is exactly what is happening.

On the same day, I wrote to the Foreign Office to ask it to ask the Japanese to meet me and, if possible, Mr Robertson. On 16 September, I received a letter from the Foreign Office explaining its view of where the passport had been. On 19 August I had written to KLM; on 14 October I got a letter from the company explaining where it thought the passport had been. To put it mildly, the two letters show a degree of confusion. The final paragraph of the KLM letter reads:

"Mr. Robertson's passport was incorrectly added to a special envelope dedicated to storing copies of travel documentation…This envelope should normally not contain original passports and unfortunately it was not examined until a later date."

I had asked the company for specific time scales, and the letter said:

"Mr. Robertson's passport was then handed over to the UK Immigration…who advised it would be sent to the UK."

No time scales were given and there was no record of exactly what happened. There was massive confusion from all concerned.

The case has made me face a number of possibilities. First, Mr Robertson is telling the complete truth and someone in Japan or at KLM is refusing to address these matters, which include allegations of physical abuse, imprisonment, verbal abuse, racism, extortion, deliberately or accidentally withholding a passport, and possibly—at least, partly—some responsibility for the suicide of a young woman.

On the other hand, Simon's claims could be completely or partially untrue. I have to consider that possibility because, as I said, I have only his side of the story—I have never had the chance to sit down with the authorities and KLM and ask why they believed that this man was making it up. Because they refused to meet me, I have no choice but to carry on believing that what I am being told is the truth.

As I said, Simon has been in touch with Amnesty International, which has produced a report. I am also led to believe that both the United Nations and the US State Department have expressed concerns about some of the things that have happened to their citizens at the hands of the Japanese immigration authorities.

Is this all in the mind of a young man who is clearly suffering physically and mentally from the ordeal? I do not believe so, but presumably the Japanese and KLM do. The Foreign Office said that the Japanese have said that they acted properly. Unless the Minister tells me something different tonight, I will have to accept the fact that it believes the same thing.

The Foreign Office has a duty of care to Mr Robertson and a duty of loyalty to our relationship with Japan. I have had a strong relationship with the country for a number of years. In the north-east of England, we are happy that Japanese industry has come into our part of the world and played a tremendous role in manufacturing. I want us to continue to have a good relationship with Japan and I believe that the Japanese Government would not be happy if such behaviour was going on without their cognisance.

I hope that between us we can get to the bottom of this situation. I hope that in his response the Minister will agree to meet me and, if possible, to get people from the Japanese embassy to come and speak to me and him—or his colleague—and to get KLM involved. Let us sit around the table like adults and try to resolve this matter. At the end of the day, I am trying to represent my constituent in the best way I can. I should not have had to do this tonight; the matter should have been resolved much earlier.

6.20 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): I begin by congratulating the hon. Member for Blaydon (Mr Anderson) on securing this debate. His persistence in following this complex and difficult case is an example of how he puts the welfare of his constituents at the forefront of everything he does.

It is clear that his constituent, Mr Robertson, is both angry and frustrated at the way he has been treated and is not satisfied with the explanations that have been subsequently offered. I thought it would be worth setting out what the FCO has done so far to assist Mr Robertson in bringing some form of closure to this difficult situation. I hope it gives some assurances to the hon. Gentleman that the FCO has done all it can in this case.

There are two separate but related issues. The first is the treatment Mr Robertson received from immigration officials at Narita airport and the second is the difficulty he encountered in locating his passport following his deportation. Let me deal with each in turn, explaining the action that consular officials have taken in each instance.

The first issue concerns what happened at Narita. As the hon. Gentleman is aware, Mr Robertson has been in regular contact with consular staff in the FCO following his deportation from Japan in February. He requested that we raise with the Japanese authorities his mistreatment

by immigration officials at Narita. As the hon. Gentleman knows, the FCO takes allegations of mistreatment of British nationals very seriously and will always raise them with the appropriate authorities when asked to do so. Our embassy in Japan wrote to the Japanese Ministry of Foreign Affairs in March requesting that an investigation be carried out into the treatment that Mr Robertson was subjected to.

A response was received on 2 May stating that Mr Robertson was treated in line with procedures set out in Japan's immigration and refugee recognition law. I must say that the two-month delay seems unacceptable and was inordinately long. The response also advised that Mr Robertson was treated in accordance with international human rights standards. The Ministry of Foreign Affairs also explained that when a foreign national is refused entry to Japan, the airline, as carrier, is responsible for deporting that person. I understand that a notice of deportation order was passed to KLM officials confirming that Mr Robertson was under their custody and that they were responsible for ensuring that he left the country.

I can appreciate Mr Robertson's frustrations about the length of time it took for us to receive a response from the Japanese authorities and his concerns that the information received did not explain the reasons behind his deportation. As the hon. Gentleman is aware, consular staff raised Mr Robertson's case within three days of his bringing it to our attention and they pressed the Japanese authorities for a response on four separate occasions after our initial letter in March.

I am aware that Mr Robertson was unhappy with the response received from the Japanese authorities and asked that the FCO carry out an independent investigation. At Mr Robertson's request, consular staff approached the Japanese authorities for further information on the reasons why he was refused entry. The Ministry of Foreign Affairs would not divulge specific details of individual cases to our consular staff on the grounds that they are a third party.

As the hon. Gentleman knows, the FCO cannot force a foreign Government to respond to our requests, nor is there any legal obligation for them to share information with us. The FCO does not have any jurisdiction to carry out investigations overseas, nor can we insist that the Japanese authorities look into the matter more thoroughly.

I am confident that we explored all possible avenues to obtain this information on Mr Robertson's behalf and I am sorry to say there is nothing the FCO can do to put pressure on the Japanese authorities to provide the information to us. Should Mr Robertson wish to continue to pursue this matter with the Japanese authorities, he should do so with the assistance of a lawyer. I understand that the hon. Gentleman and Mr Robertson have been given the contact details of the Japanese immigration bureau with which the hon. Gentleman can pursue this matter.

I am aware that Mr Robertson has expressed his dissatisfaction about the level of assistance he has received from consular staff both in London and in Japan, and his concerns that the assistance he was given differs from that provided to other British nationals. I am sorry he feels that way. However, I am confident that our consular staff did all they could to assist and support him in this matter. Consular staff strive to provide a consistent, professional service to all British nationals in accordance with our policies.

Mr Anderson: May I refer the Minister to the specific point about Mr Robertson identifying the person he believed was responsible for the abuse, and the decision by the Foreign Office member of staff not to report that to the Japanese? Surely that should have happened.

Mr Bellingham: I am very grateful to the hon. Gentleman for raising that point. We will certainly pursue anything that he has raised in this debate that is new and of relevance. I will write to him on that specific point.

The second issue is the retrieval of the passport. I can understand Mr Robertson's additional concerns in this regard. I understand that when the notice of deportation order was passed to KLM officials confirming that Mr Robertson was under their custody, his passport was handed over to KLM officials, and the Japanese immigration authorities' involvement ceased at that point. As the hon. Gentleman knows, consular staff in Tokyo raised this with Japanese immigration officials and with KLM airlines in Amsterdam. On 25 May, Mr Robertson's passport was found at KLM offices in Schiphol airport in Amsterdam, and it was subsequently returned to the Identity and Passport Service in the UK.

As the hon. Gentleman is aware, Mr Robertson's passport was cancelled on 8 February. The UK Border Agency and Interpol were subsequently notified that his passport was no longer a valid travel document and that all appropriate steps were taken to ensure that his missing passport was not misused. Although the KLM flight captain and crew on the return flight were incredibly courteous and helpful to Mr Robertson, I am not impressed with the follow-up action they took, and there are certainly some points that need addressing.

I thank the hon. Gentleman for bringing Mr Robertson's situation to the attention of the House. Having introduced a number of Adjournment debates on behalf of constituents over the years, I know first-hand that a Back Bencher's highlighting of such cases, thus ensuring that their constituents' concerns are raised and recorded, is incredibly important.

I have tried to spell out what the FCO has done to assist Mr Robertson with his case, although I can appreciate his frustrations at being told there is nothing further we, as an Office, can do to assist him with this matter. I am confident that consular staff have done all they could to bring the matter to a satisfactory conclusion. Obviously I would not presume to tell Mr Robertson what to do, but if there are outstanding issues that he wishes to pursue, then I really would encourage him to consider seeking the assistance of a local independent lawyer.

The hon. Gentleman said a moment ago that he was keen to have a meeting with me. I have never yet turned down a request from a parliamentarian to have a meeting. Parliamentarians obviously have the right to raise issues on behalf of constituents, and other matters, in the House on the Adjournment. When a parliamentarian contacts a Minister to say that he would like to have a meeting, that is certainly something that we consider very seriously. If the hon. Gentleman would like to come and have a chat with me, or indeed with the Minister of State, Foreign and Commonwealth Office,

[Mr Bellingham]

my hon. Friend the Member for Taunton Deane (Mr Browne), who is responsible for consular services, then of course we will accede to that request; we are more than happy to do so. I know only too well the hon. Gentleman's determination and commitment to his constituents—not just this one particular constituent but all of them. He is a fine example of an MP who is taking up the case of a constituent and raising it in the House, and I applaud him for doing that.

The hon. Gentleman said that he would like us to facilitate a meeting with the Japanese embassy and with KLM. I cannot do that. However, as I said, when a parliamentarian contacts a Minister to request a particular meeting, we will certainly accede to that—these are, after all, requests from parliamentarians in the British House of Commons. I hope that his request for a meeting with KLM and the Japanese embassy will be taken very seriously.

Once again, I thank the hon. Gentleman for raising this matter. If there are any outstanding or additional points that I have not covered, I would be more than happy to write to him in the very near future.

Question put and agreed to.

6.29 pm

House adjourned.

Westminster Hall

Tuesday 26 October 2010

[MR PETER BONE *in the Chair*]

Mental Health (Infants)

Motion made, and Question proposed, That the sitting be now adjourned.—*(James Duddridge.)*

9.30 am

Andrea Leadsom (South Northamptonshire) (Con): On the face of it, infant mental health might appear to be a bit of a narrow topic, but I want to explain why the mental health of infants in fact makes a huge difference to the whole fate of our society. Human babies are unique in the animal kingdom in terms of the extent of their underdevelopment at birth. What other animal cannot walk until it is one year old or fend for itself until it is at least two years old? Physical underdevelopment is only a tiny part of the matter; the human brain is only partially formed when a baby is born. The billions of neurones in the brain are largely undifferentiated at birth and parts of the brain are simply not there. A human baby's earliest experiences will literally hard-wire their brain and have a lifelong impact on their mental and emotional health.

I want to set the scene by giving a couple of fictitious examples that are common in 21st-century Britain. I shall then explain how those situations might affect the babies concerned. First, let us consider the case of a fictitious 15-year-old called Sarah who lives with her mum, stepfather and three half-brothers in social housing. Her stepfather abuses her and she has told her mum, but she does not believe her or does not want to believe her. Sarah feels unloved and unsupported and, when she is 15, she meets a boy at school and gets pregnant. She applies for a council house as a single mum and gets it—so far, so good. Sarah is really looking forward to the birth of her son because, at last, she will have somebody to love her. The trouble is, when Jack is born, he does not seem to love her at all. He just screams, messes his nappy and eats. After a few weeks of doing her best, Sarah cannot stand it any longer. She leaves Jack screaming in his cot and goes out for the evening. She gets back late and rather drunk, and Jack is still screaming in his cot. Sarah loses her temper, kicks his cot and screams at him to shut up and leave her alone. We can imagine how things carry on for Sarah and Jack. She is an unloved child herself and Jack pays the price.

Let us consider another fictitious story that is just as common. Liz and John are successful lawyers in their 30s who are well off and enjoying life. They leave it quite late to have a baby and end up using in vitro fertilisation to help them conceive. Luckily, Liz becomes pregnant quite quickly with twins, but the joy stops there. She feels sidelined in her career and resentful of her husband because he is fine and she is not. The babies are born prematurely and are whisked off to incubators for several weeks. When Liz finally takes the babies home, it takes a long time for her to realise that they are truly hers. She is one of the three in 10 women who suffer post-natal depression. She looks after the twins as best she can, but more than a year passes before she can truly say that she loves them.

I am sure that most of us in this room have heard of such cases. Stories of poor bonding or, to use the more technical term, insecure attachment are all too common in the western world. However, what is not so well understood is the impact on the baby's brain development of a key carer—usually the mum—being unable to meet the baby's needs. So what is meant by the term "having your needs met"? When a baby cries, they do not know that they are too hot, too cold, bored, tired or hungry. All they know is that something is wrong. So they cry and rely on an adult carer to soothe their feelings. Many of us will remember long nights spent walking up and down the landing, joggling a baby and saying, "Go to sleep, go to sleep." That is what loving adults do for their babies.

This is not about giving parents a guilt trip. We all feel guilty at times about the things we wished we had done, the times we shouted at our babies or the times we left them to cry because we could not take any more and so on. This is about being a good enough parent. That does not always mean being there the instant the baby cries every single time, but being there enough for the baby to realise that generally the world is a good place and that generally adults are kind. The baby who learns about the world as a good place will retain that sense almost as an instinct for life. The baby's brain will be hard-wired to expect a certain reaction from other human beings and that baby's mental health will be secure throughout the child's life. Such an individual will be more robust than a baby whose needs are not met. However, for the small but significant minority of babies who are neglected or abused, there are two critical impacts on the development of the brain.

A baby cannot regulate their own feelings at all. If their needs are not met, they will simply scream louder and louder. If nobody comes, eventually they will take refuge in sleep. So the first impact is that a baby left continually to scream will experience raised levels of the stress hormone cortisol. Excessive amounts of cortisol can do permanent damage to the baby's immune system. Evidence suggests that a baby left to scream throughout babyhood will have a higher tolerance to their own stress, and that violent criminals have a very high tolerance to their own stress levels, which they developed back in babyhood. Inevitably, if someone has a high tolerance to stress, they need to indulge in high risk-taking behaviour even to feel the same level of excitement that we might get from an exciting hand of bridge. There are real issues surrounding leaving babies to scream incessantly.

The second and most amazing impact on the baby who is neglected or abused concerns the social part of the brain—the frontal cortex—which starts to develop only at around six months. The peak period for development of that part of the brain is at six to 18 months old. Growth is stimulated by the relationship between the baby and the carer, for example, through things such as peekaboo games, hugging, looking into each other's eyes and saying, "I love you. You're gorgeous." Such activities between a loving parent and a baby all play a very strong role in the development of the social, empathetic part of a baby's brain.

If a baby does not receive any attention—I am sure we all remember the Romanian orphans who were left in cots to hug themselves, and did not speak to anyone or have any emotional or physical contact whatsoever—that social part of the brain may never grow. There can

[Andrea Leadsom]

actually be a long-term brain damage impact on the baby, the child and later the adult. That has profound implications for society. A human being without a properly developed social brain finds it extremely difficult to empathise with other human beings. In particular, if a baby has what is known as disorganised attachment—where one or both parents are frightening or chaotic—they cannot form a secure bond precisely because the person who is so frightening and chaotic is also the person whom the baby should be turning to for comfort. The baby's brain is confused and they experience disorganised attachment, which leads to very significant problems for that baby.

If we look into the babyhood of children who brutalise other children, of violent criminals or of paedophiles, we can often see plenty of evidence that sociopaths are not born; rather they are made by their earliest experiences when they are less than two years old. Evidence shows that more than 80% of long-term prison inmates have attachment problems that stem from babyhood. It is believed that up to two thirds of future chronic criminals can be predicted by behaviour seen at the age of two. A study conducted in New Zealand showed that a child who exhibits substantial antisocial behaviour when they are aged seven has a twenty-twofold increased chance of criminality by the age of 26.

Mr Robert Buckland (South Swindon) (Con): I congratulate my hon. Friend on securing the debate. She makes a very important point about the correlation between people in prison and the problems she has outlined. Is she also aware that a very large number—I think it is some 75%—of our young inmates have some form of speech, language or communication difficulty that, no doubt, at least partly results from the circumstances of their upbringing and the early years that she is talking about?

Andrea Leadsom: I thank my hon. Friend for his intervention, with which I completely agree. There is no doubt that all sorts of developmental issues are affected by the earliest relationship, including communication. Why does poor attachment arise? Often, it is the result of parents' unhappy lives. A mother who was not attached as a baby to her own mother will often struggle to form a secure bond with her baby, as might a woman who suffers from post-natal depression.

Annette Brooke (Mid Dorset and North Poole) (LD): I congratulate the hon. Lady on securing the debate. Given the examples that she has cited, which clearly are drawn from all sorts of backgrounds, be they deprived or affluent, as in the case she mentioned of post-natal depression, does she agree that keeping the universal service within Sure Start is vital?

Andrea Leadsom: I thank the hon. Lady for her intervention. I will come on to my thoughts on Sure Start later, but I believe that public funds need to be focused on the small but significant minority of families whose lives are chaotic and where the outcomes for the children without support can be truly disastrous, not only for them and their families, but for the whole of society.

A woman who suffers from post-natal depression might struggle to form a bond with her baby, as can parents with drug, domestic abuse or unemployment problems. Poor attachment is no respecter of class or wealth and crosses all boundaries. Sadly, the cycle of misery is often passed down through generations, as a woman who did not bond with her mother when a baby can then fail to bond with her own baby.

I stress again that this is not about making parents stay at home or carry their babies around 24/7. Attachment means building a bond with a baby so that they instinctively learn how to be part of a caring relationship. Where both parents work, or where there is a single parent or adoptive parents, attachment can be very secure. The point is that the less caring attention a baby receives from a familiar adult, the greater the risk of insecure attachment. A caring nursery worker could become an attachment figure for a baby, as could a nanny, a child minder and, of course, members of extended families. Where a baby's home life is disturbed due to divorce, death, domestic abuse, drugs or even post-natal depression, it can be a positive experience for that baby's quality of life to be in a sensitive and caring child-care environment where a loving key worker can become an attachment figure. Where a baby's home life is happy and there is a strong bond with the rest of the family, a caring child-care environment is not harmful and can even add to the baby's quality of attachment.

Where a baby's home life is disturbed, however, putting it into an insensitive child-care environment can be a disaster. It is common sense that a baby can take only so much stress, change and disorder. If you pile up that stress and disorder, the baby will instinctively resort to the basic strategies of fight or flight, which all animals have, including humans. That translates, in baby terms, into either very passive behaviour, or aggressive crying.

A nursery might measure the contentedness of its baby room by how little crying there is, but ironically, a baby that has given up on having her needs met will sometimes withdraw, not making a sound and appearing very passive. Far from being a good sign, passivity can be an indicator of a future life that is inclined towards depression, a victim mentality or even self-harm. On the other hand, a baby who cries noisily and often could just be a fighter who has instinctively learnt that getting attention requires a huge amount of noise and aggression. Violent criminals have been shown to have a high tolerance to their own stress hormones, which means that they resort to high risk-taking behaviour in order to experience what are, to most of us, only normal levels of stress. Those two examples merely show that one cannot easily judge how contented and secure a baby is by the amount of crying they do. In fact, the quality of attachment experienced by a baby is hard to measure, even for an experienced professional.

Shockingly, research shows that 40% of children in Britain are not securely attached by the age of one. Of course, that does not mean that they will all go on to have behavioural or relationship problems, because other life events will also play a key part, but it does mean that they will be less robust in their emotional make-up to meet the challenges and disappointments of life. They may also struggle as parents later in life to form strong attachments to their own babies, thus perpetuating the cycle of misery through generations.

I draw some conclusions from that. Poor attachment may well lie behind the UNICEF report that shows that British children are the unhappiest of those in the 21 countries in the developed world. Poor attachment might also account for our high teenage pregnancy rate, as mums who are themselves children are looking for love, and for our high divorce rate, with many adults being unable to form long-lasting relationships. Some of the statistics issued by the Office for National Statistics over the past decade show that almost 80,000 children and young people suffer from severe depression and that 95% of imprisoned young offenders have a mental health disorder. All those facts point to the devastating consequences of poor early relationships.

Human misery is only one feature of insecure early attachment; there is also the vast financial impact on the public purse of dealing with its consequences. The charity, Railway Children, estimates that up to 100,000 children are at risk on the streets in the UK every year. Each looked-after child costs the taxpayer £347 a day, or £126,000 a year. Each adult prison inmate costs the taxpayer £112 a day, or £40,000 a year. Each person in acute psychiatric in-patient care costs the taxpayer £225 a day, or £82,000 a year. No assessment is available for how much of that expense is the direct consequence of poor attachment, but in the terrible case of baby Peter, I remember asking myself what mother could allow her boyfriend literally to torture her baby, unless she simply had no bond with him? What would have become of him had he lived to grow up with his appalling babyhood experiences?

Therefore, what can we do to promote better infant mental health? The astonishing thing is that if we tackle insecure attachment early enough, ideally before the baby is one, it can be turned around quickly, to the huge benefit of baby and carer, and to the public purse. I was chairman for nine years, and remain a trustee, of the Oxford Parent Infant Project, which is an Oxfordshire-wide charity providing specialist psychotherapeutic support for families struggling to bond with their babies. OXPIP has worked successfully with Oxfordshire social services, health visitors and GPs for 12 years. Highly trained parent-infant psychotherapists work with a carer, usually the mum, but sometimes the dad, grandparents or foster parents, to improve the quality of their relationship with the baby. It sounds incredibly simple, but it has dramatic consequences for the baby's lifelong mental health

The average cost of OXPIP-style intervention is £75 a week for each family, and in many cases 10 visits are enough to make a significant improvement in the quality of attachment and to set the family on a positive path. In other cases, families receive support for up to a year or more, at a cost of around £4,000. In a small number of cases, OXPIP provides expert evidence to the family courts when a baby is deemed to be at risk. OXPIP receives self-referrals from desperate parents and also sees clients referred by health visitors, GPs and social services. There is no doubt that it saves lives, and a fortune. The cost of helping a family for a year in that way is around £4,000, whereas keeping a child in care for a year costs £126,000.

I will finish with a specific call to action for the Government. I know that so much good work is being done already through the Centre for Social Justice and the review that the hon. Member for Nottingham North (Mr Allen) is carrying out on behalf of the Department for Work and Pensions. I pay tribute in particular to my right hon. Friend the Secretary of State for Work and Pensions, the right hon. Member for Birkenhead (Mr Field) and the hon. Member for Nottingham North for their commitment to helping children have a better future. There is plenty more than can be done, costing little to the public purse but giving huge benefit to human happiness and the health of our society.

First, I would like the Government to reconsider the 15 hours of educational help for each disadvantaged two-year-old. Instead of money being spent on preparing the toddler for school, it should go to supporting the parent-baby relationship before the baby's first birthday if the home life is chaotic or frightening. Helping parents to support their baby is the best route to helping the most disadvantaged children in our society.

Secondly, I applaud the Government's decision to provide 4,200 new health visitors. They do such valuable work for families, but they receive little training in the critical importance of secure early attachment. I urge the Government to require every health visitor and social worker to be trained to understand and spot families at risk. OXPIP provides such training, and it is highly valued by the recipients.

Thirdly, there needs to be an opportunity for onward referral to specialists in parent-infant psychotherapy when a health visitor identifies a real need. I recognise that the budget to do this kind of work is not available right now, but I urge the Government to consider a pilot scheme, perhaps as a result of the review that the hon. Member for Nottingham North is doing, and proactively to seek the evidence that would prove the value of early years intervention.

I am hoping to establish a pilot parent-infant service in my constituency of South Northamptonshire, and I am confident that other pilots could be established and evaluated in children's centres around the country at a low price to the public purse. In fact, the director of children's services in Northamptonshire told me that, in a previous role, he was able to balance his children's services budget by focusing on early prevention. He was able to save on the budget for looked-after children and bring the cost of the entire service down by prevention. The impact on the public purse as well as on the human happiness of children is key.

Fourthly, where a baby spends more than a few hours a day in a child care environment, there should be protocols in the nursery that ensure that the attachment needs of the baby are addressed. They could include a far greater focus on the key worker relationship, so that one adult carer does all the intimate activities with the baby such as nappy changing, feeding, and morning and evening handover to the parents. There are plenty of opportunities to maximise the sensitivity of the child care environment to support the attachment needs of the baby.

Some nurseries and many child minders and nannies make the baby's emotional well-being a high priority. Some of them recognise the importance of what they do; for others, it is instinctive. One research establishment—again, in my county of Northamptonshire, the Penn Green nursery in Corby—is specifically researching the impact on the very young of life in a sensitive nursery. Such research could be used to develop protocols for all nurseries.

[Andrea Leadsom]

Fifthly, training in early attachment for child care workers is critical. The turnover of staff in nurseries is high, and often the staff are young and inexperienced. All those factors contribute to a greater risk of insensitive care in child care settings.

Sixthly, in the small percentage of cases where the family's life is chaotic, frightening and violent, and there are child abuse concerns, adoption should be swift, ideally before the baby's first birthday. I urge the Government to look again at the adoption legislation with a view to putting a greater focus on the attachment needs of the baby. Foster adopter arrangements, where foster parents may adopt the baby if things do not work out with the birth parents, offer much less risk to the baby in cases of doubt. The baby is able to form a bond with the foster parents, who may become the adoptive parents, and the birth parents until such time as a decision is taken in the baby's best interests. Research shows that the approach has been successful for the baby because the adults bear the risks rather than the baby.

By coincidence, the first time I spoke in the Palace of Westminster about infant mental health was in 2002, on the day that the Victoria Climbié report was issued. Today, almost nine years later, I am speaking on the day that a baby Peter report is coming out. Please, do not let it take another nine years for some real action to prevent the next appalling tragedy. Prevention is not just kinder: in these times of austerity, it is also much cheaper than cure.

9.54 am

Annette Brooke (Mid Dorset and North Poole) (LD): I wish to make a brief contribution to this debate. We are all the product of many complex factors, and therefore we always have to keep an eye on the whole situation. Having said that, I have had a long-term interest in attachment theory. This shows my age: I still have the original John Bowlby book, which was part of my set reading, on my bookshelf. It became a little unpopular because the women's libbers of the 1970s were not too keen on the emphasis on mother staying at home, but it is interesting that attachment theory has come to the fore again. We see it in a much wider context, and we understand the point about primary and also secondary attachments. I would like to make a few points to the Minister.

Parts of what we are saying are so obvious when one starts playing with a baby, as the hon. Member for South Northamptonshire (Andrea Leadsom) said. The Worldwide Alternatives to Violence Trust showed me a presentation of an adult ignoring a baby—it almost seemed cruel—and one saw how the baby switched off entirely, and how totally different the situation was when someone engaged with the baby. However unscientific that might seem, all my instincts say that we really must take that on board.

From that follows the importance of early intervention. I applaud the coalition Government for setting up the review. There has been a great deal of work showing right across the board that if we invest huge sums of money in early intervention, we will save in the long run, but the decision was a brave one. It is important to have a formalised review and to plan how we go about early intervention.

I would like to focus on the whole-family approach because, as I said earlier, there are always so many complex factors that affect the life of a child. One might focus on parent or carer relationships with the child, but adult social services issues need to be addressed at the same time. A concern that I have expressed many times in speeches is that if we put the focus on children by splitting children's services away from adult social services, in some authorities—this is not the case in all authorities by any means—the whole-family approach can be lost. It is vital that we have back-up services to deal with the parent-child situation. Indeed, there could be information from adult social services, such as information that there was an addiction of some kind among the adults. There is a lot of wraparound there.

The figure of 40% of children not being securely attached is striking and makes one think. I have heard of the excellent work carried out by OXPIP, and I congratulate the hon. Lady on that.

I wish to touch on situations where we have not picked up on problems—we have many of them to deal with at present—and on fostering and adoption. Throughout the many Committees on children's legislation that I have served on, I have been concerned that not enough attention has been given to delivering mental health services. In the last Children and Young Persons Bill, which dealt with looked-after children, I failed to get an amendment accepted on Report. We achieved a requirement for a mental health assessment of children who were to be fostered—that was important—but I could not get an amendment accepted that would have ensured that the necessary health care would follow. I was told that it was an education Bill, and we were talking about health money.

How can we bring all the services together for the child and the family? When we are picking up the pieces later on in life—at the point of fostering, when psychotherapy might be vital—how will we get funding if we are approaching the matter from within children's services? How will that all come together? In a recent case, problems began to escalate at school when the child of dedicated adoptive parents got to about 12. He felt totally bereft of support. It is interesting that any damage that happened early on may not manifest itself in an unmanageable way until quite a long way into the child's life. We need to be aware of that. Although we have moved on tremendously—I am proud to have played a part in the previous Government's legislation to tackle the situation of looked-after children—parents with adopted children need a lot of support. Legislation says that they should have immediate support, but they might need it quite a bit further down the line.

Looking at Sue Gerhardt's work, the one hopeful thing is that damage can be undone. It is obviously easier to tackle it early on, but with a lot of work, we can make things better for the children and young people who deserve our support so greatly.

All hon. Members will be concerned about the amount of resources in children's and adults' mental health services. I should be grateful if the Minister could assure us that these vital services will be protected. We could stray into all sorts of areas in which children need

support from their local child and adolescent mental health services; children with autism, for example, face long waiting lists. Parents of children with autism often say that they are talking to somebody in CAMHS who does not understand their needs fully. We need to give better support generally, across the board, and in particular, we need to do our utmost to improve CAMHS.

10.2 am

Dr John Pugh (Southport) (LD): It is a privilege to talk in the debate under your chairmanship, Mr Bone. It is a tribute to your unswerving party loyalty over the years that you have got to your position.

I congratulate the hon. Member for South Northamptonshire (Andrea Leadsom) on starting an important and significant debate. I think we would all agree that the human infant, as she has analysed, has definite needs that go beyond the basic biological necessities of food, water and shelter. The human infant requires emotional support and, as the hon. Lady and my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) have argued, an element of attachment—a mother or mother substitute—in the early stages to bond or imprint with. This is essential for wholesome psychological development.

The evidence for a child's emotional needs is strong. I am aware of an experiment conducted with primates, in which a young rhesus monkey was separated from its mother but given two alternative "wire" mothers—wire constructions. One was surrounded with soft cloth and the other had milk attached to it. The monkey's behaviour was interesting. It went to one mother for feeding, but after being fed it needed some comfort and went to the other mother and cuddled up close against it, requiring some tactile contact that was not strictly necessary in terms of its biological survival, but clearly deeply emotionally necessary. Some horrific but illuminating experiments have been done in this field. One recalls the behavioural psychologist, Watson, who endeavoured to bring up his child without any tactile direct contact but provided him with all the necessary immediate needs.

It is obvious that we have a raft of emotional needs over and above our ordinary biological needs. The lack of such contact—and the evidence about this lack—is always fairly apparent, showing itself in infants in rocking behaviour, attention-seeking, unresponsiveness and slow development. We also believe that we have discovered, in addition to these obvious symptoms of emotional deprivation and abuse, other effects that we would not have picked up without the benefit of modern science. For example, it has been argued that hormonal effects lead in turn to neurological effects, some of which are long term. Heightened aggression, for example, is suggested to be an outcome of poor attachment, and other social handicaps may ensue. The hon. Member for South Northamptonshire mentioned that psychopathy can be a consequence of severe lack of attachment.

The exact causal link between all these factors is not as clear as we would like to believe. In particular, ways of treating infants and neurological and behavioural outcomes are matters for debate. The evidence is complex and can be oversimplified; it has been contested in some areas and can be interpreted speculatively. We do not know enough about the effects of cortisol to be totally sure in this respect. We do not want to go down the Watson behavioural route to sort this matter out, conducting horrible, elaborate experiments on infants to find out what bottom-line evidence we ought to rely on.

We must recognise that the emotional deprivation and abuse endured by people in infancy is also overlaid in time by subsequent social and cultural differences. That slightly clouds the picture as well, and makes it rather more difficult to establish the clear causal links that the hon. Lady implied existed. If people believe in free will, there is an element of individual mediation at the end of the day. Despite all this, it is not difficult to spot when a child is turning out underdeveloped, unhappy and antisocial. Even if we disagree, according to our different values, about what constitutes a truly well-adjusted child, we certainly know when we have a severely maladjusted child on our hands. It is impossible to dismiss the role of first experiences in constructing those outcomes—that has been established for some time.

It is easier to identify failure than absolute success. After all, as my hon. Friend the Member for Mid Dorset and North Poole suggested, none of us does a perfect job of bringing up our children. All children—all of us—are brought up by amateurs. People do not get a set of children to practise on first until they get good at it. One recalls a quote from Philip Larkin, which I will not use here because it contains unparliamentary language, about the effects of parents on one's general well-being. But it is still true that some people mismanage the process far more than others, even if none of us succeeds in getting it totally right. I recall Jack Dee's remark, questioning the point of having children, because they only grow up to be teenagers and slag you off at parties. There is an element of truth in that.

There is a social policy issue concerning how we reduce incompetence, especially the worst sorts of incompetence that lead to the catastrophic effects that the hon. Member for South Northamptonshire mentioned. It is important that we find out what the state can do to encourage success, given that most parents appreciate some guidance, having never done the job before, and crucial that we find out what the state needs to do to avoid catastrophic failure—as in the case of baby P and other cases we could specify—or general failure, if that is what is happening.

The hon. Lady suggested that there is a general failure in society and quoted UNICEF statistics. She suggested that, collectively as a society—as a social group—we have something to learn. In a sense, that is what the debate on child care in the first two or three years in life has been about. There has been strenuous and long-standing debate about the conflict between the role of the mother as breadwinner and home-maker; about whether the social gains of early interaction in a nursery or child care environment are offset by emotional security; about whether encouragement to return to work is encouragement to short-change one's child; and about whether the high percentage of nursery and child-minded children in our society correlate in an interesting way with levels of general child happiness. I will pass over that debate and leave it to hon. Members around me who are more expert than me, but I want to make two observations.

It is hard to generalise in this matter. I have two grandchildren. One took to everyone in the family very early and is very social, at home with other children,

[Dr John Pugh]

confident and assured, and I had a close relationship with the child from an early age. The other granddaughter has only just convinced herself that I am not an ogre. For the first few months of her life, she clung to her mother in a way that the first child did not. Not all children are the same, and not all homes are the same, so the consequences of keeping children at home with mum differ depending on whether the mother is middle-class and has lots of books and blocks and things, or is a heroin addict.

I do not want to embroil myself in a matter in which I have no expertise—whether the recommended techniques for dealing with babies in the early stages are correct. I do not want to get into the routine versus emotional spontaneity debate, about which there is plenty of literature that is scoured by many young mums as they take their first steps. However, the fame of experts in that field is usually in direct proportion to their tendency to challenge common sense. Books do not sell if they suggest something that is part of motherhood and apple pie, and has been well understood for years.

My fundamental point is that parenting is an art, albeit a rough art, that in some homes goes disastrously and persistently wrong. I had a chilling experience recently on a train. A young child of perhaps three or younger was being controlled by what seemed to be her grandmother. The child responded by producing expletives, which would have been a disgrace even in a football ground. The grandmother responded by saying things such as, "Please stop that because the man doesn't like it." The child showed the classic symptoms of one who has been brought up in the wrong environment with the wrong cues and has been given the wrong sort of discipline. It struck me as a disastrous way of carrying on.

When one witnesses such incidents, which are repeated in many places, and recognises the terrible consequences for the individual and their emotional stability, and the huge collateral damage for society, one starts seriously to think about what society can do to support parenting in general and to support such parents who, for whatever reason—it may not be their fault—are not making a good fist of it. Should good parenting be taught in children's centres? I certainly believe so. Do we need more health visitors? I certainly believe that we do. Do we need to build the skills of often damaged people? I certainly believe that we do.

One hugely overlooked dimension is that we simply do not do enough in schools to inculcate good parenting, or do what we can to get across to young people who are coming up to being parents how parenting sometimes works and sometimes does not.

Annette Brooke: My hon. Friend is making some important points. Does he share my vision that it should be considered normal to have parenting classes, and not a reflection on someone's inability to do something? If someone has a perpetual headache, they go to their doctor, and if they have a perpetual difficulty with a baby or toddler, it should be the norm for them to seek assistance. My ideal is to reach the cultural perspective that seeking help is the thing to do. We would then be able to move forward.

Dr Pugh: Yes, that is an important and valuable suggestion. I am trying to say that we should take pre-emptive action to encourage people to think about parenting and what goes wrong at a time when parents are thinking about all the other important issues of life. There is a lot of good practice on such subjects in personal, social and health education in schools, but the people who are pointed in that direction and encouraged to treat that area of the curriculum seriously tend to be not the most academically high-flying, and tend to be female. There tends to be an exemption for people who have better things to do, but there can be few better things to do than to teach generations to come how better to bring up their children. That can only add value to society as a whole, and happiness to people's life.

One may waffle on about academies and put money into the pupil premium, but the biggest indicator and determinant of success in the education system and therefore in life is a strong, supportive home in which good parenting is attempted. We are inclined to pay lip service to that and do not spend sufficient time on it. We tend to spend more time thinking about other things such the bias with which history is taught.

Andrea Leadsom: On the importance of a supportive family for education outcomes, does my hon. Friend agree that there is a lot of talk about intervening at all levels and all ages, but a supportive family either develops very early or not at all? That is why I focus on the under-twos. That is the point when lifelong good relationships can be set up between family and baby. It is much more difficult to put things right with later intervention.

Dr Pugh: I thoroughly agree, and that bears out the point made by my hon. Friend the Member for Mid Dorset and North Poole about the family approach. The arrival of children often puts a strain on relationships and finances, and creates a series of difficulties for couples, which may have severe ramifications. I have attended Home Start events in my constituency at which mothers testified to the initial difficulties and isolation when they became mothers, and the support that they needed. In the past, that might have been provided in the neighbourhood or by an extended family, but is no longer there for many people, who need to be able to plug into facilities and groups—charitable, voluntary, social enterprise and so on—for help with their difficult job. Society must ensure that that help exists because we all recognise the importance of parenting.

One reason for the restraint in our support for teaching parenting is the liberal angst about being too prescriptive in our society, but we must get over that. We must prioritise parenting and invest in it. We must insist on its being taught in schools, and we must assess secondary schools on how well they do that, not only with girls but with boys. Every child in every school is likely to become a parent at some time. Some will do that well and some will do it badly, but unfortunately some will begin without the faintest inkling of what to do and without the experience of a good example, or even the awareness that getting it right matters.

None of us can ultimately escape the inevitable guilt that parents feel about not having been a better parent, but we must not let people go out into the world

without knowing what they should do or, worse, not caring whether they do it well or badly. The fundamental point made by the hon. Member for South Northamptonshire was that early years and early months are crucial determinants of someone's fundamental personality. Freud also made that point, and even said that how someone is born matters. I must declare an interest. I was born easily and during a good summer, and I was a contented baby, which is probably why I became a Liberal Democrat.

10.19 am

Emily Thornberry (Islington South and Finsbury) (Lab): I congratulate the hon. Member for South Northamptonshire (Andrea Leadsom) on the great passion, and knowledge of the subject, that she has shown us all today, and on securing this debate. I pass on my best wishes to OXPIP—the Oxford Parent Infant Project—for its good work. I hope that it will continue to go from strength to strength. I am today also speaking as a mother of three, and as the former chair of the all-party group on maternity. I have listened with great interest to the debate and to the thoughtful contributions from the hon. Members for Mid Dorset and North Poole (Annette Brooke), and for Southport (Dr Pugh). At times, I thought that I must have strayed into the House of Lords, given the level of expertise that we have heard.

I do not agree with some of the points raised. I do not agree that all parents are amateurs; I believe that the vast majority of parents are experts, but only in their own children. Of course, there are some catastrophic failures, but I believe nevertheless that it is important for parents to develop confidence in their ability to look after their child. I remember beginning parenting with an understanding that I needed to love the child, but with little further understanding. I still remember holding a copy of a book by Penelope Leach in one hand, the baby in the other hand, and looking up how to hold the baby. One struggles on, and that did not make me any less of a mother. I learned quickly on the job and was committed to it. I quickly became an expert, to such an extent that I remember showing off to my mother because my baby did not have a bald patch on the back of his head. My mother pointed out that that was because I had never put him down. Perhaps that was my own version of the application of the attachment theory.

The importance of the attachment between parents—or an adult—and a child in the first two years of life has been greatly highlighted by child psychotherapists. Those years are when the prefrontal cortex develops, which brings awareness of our emotions and those of the people around us. The infant mind is not born, but builds like a muscle over the first two years in response to parental attention and attachment. That theory has been around for some time. Attachment is considered to be a bond that develops from a child's need for safety, security and protection. Positive attachment experiences stimulate feel-good chemicals and help build pathways in the brain that support the development of higher-level functioning and help with things such as attention, memory and impulse control. Missing attachment can give a sense of insecurity, suppress neural development and stimulate stress hormones in the brain. The weight of research has been brought to the attention of policy makers and the public by people such as Sue Gerhardt, who founded OXPIP, and who has built consensus for the view that we must focus on intervening earlier than we had thought.

The importance of early intervention was recognised by the Department for Children, Schools and Families in its report, "Early intervention: Securing good outcomes for all children and young people", which made a strong case for expanding early intervention policies. According to the Prime Minister, the new Government will be the most family-friendly ever, so perhaps expectations are high that increased support will be available to new parents. Unfortunately, as the Institute for Fiscal Studies has pointed out, families with children seem to be the biggest losers in the comprehensive spending review.

The fierce debate about the long-term detrimental effects, or not, of day care has been fuelled by superficial and irresponsible reporting in the media. The question is whether the day care is good day care. What plans do the Government have to ensure that day care remains of a high quality, so that those parents who choose to put their child into day care do so in a way that benefits the child and assists in their development?

As highlighted today, maternal depression is an important issue. Under the previous Government, there was the introduction and great expansion of psychological therapies. Do the Government have any plans to target new mothers who have post-natal depression? There is also the problem of parents and substance misuse.

Another policy issue that has been raised is that of health visitors. I welcome the Government's announcement that the number of health visitors will increase by 4,200. They will give support and encouragement to new parents, which, from my own memories, is invaluable. When will those new health visitors be in place? Will they receive specific training in mental health, and if so, what sort of training? Where will the funding come from? I understand that it is likely to come from Sure Start, and although the Government have said that Sure Start is safe in cash terms, if a large amount of money is taken out to pay for health visitors, how much will Sure Start be short?

Sure Start has an important role in bringing together cross-disciplinary services and providing an atmosphere of trust. In areas such as my constituency of Islington, Sure Start services are interesting because we have the very rich living next door to the very poor. If the Government's new policy is to target Sure Start services on the poor, the concern is that there could be some form of stigma attached to getting involved in Sure Start.

Alison Ruddock, the head of Islington's early years programme, fears that Government plans could set such services back 20 years in a borough such as mine, which ranks as the sixth most deprived in the country, despite there also being great wealth in it. She says:

> "The fact that we have a mixed population is hugely to our advantage...We haven't got rich centres and sink centres. So the most disadvantaged children are shoulder to shoulder with the most advantaged. If you have a service for poor children, it's very difficult to prevent that from becoming a poor service."

If one says to a parent, "There's a stay-and-play centre on your estate; it's really fun, why don't you come?", they will often say yes. However, if one says, "Let's sit down and fill in a massive form, and you can tell me all your problems," the parent is likely to say no. The

[Emily Thornberry]

problem will be the effectiveness of Sure Start, which over the past few years, as far as we are aware, has given huge support to parents.

Action for Children estimates that for every £1 of public money spent on Sure Start, we save £4.60 in the long term. Ofsted only began inspecting Sure Start in April, and it may be too early to judge matters technically. However, in our heart of hearts we know that Sure Start has been a good policy lever. If it is to be changed, we must be confident that it will not be undermined. I understand that there will be early intervention grants. Can the Minister provide any further details about those? I am sure that she has heard concerns from councils that that might not be enough, and that early intervention projects might close, as opposed to expanding.

I would also like to highlight the issue of GPs. Although health visitors are important for new mothers, GPs are important, too. However, up to half of GPs have no formal training in paediatrics and child care, despite a quarter of their patients being children. In many terrible tragedies, some of which have been mentioned today, we see an involvement of GPs that has simply not been up to the mark. I echo the question from the hon. Member for Mid Dorset and North Poole about whether the Minister can provide an assurance that funding for child and adolescent mental health services will not be cut. If the Government go ahead with the proposed abolition of primary care trusts, will they have the policy handles to ensure that such vital services are not cut?

I conclude by congratulating the hon. Member for South Northamptonshire on raising this issue. The quality of the debate this morning has been high, and it is a great shame that there are not more people in the Chamber to contribute to it.

10.28 am

The Parliamentary Under-Secretary of State for Health (Anne Milton): It is a pleasure to serve under your chairmanship, Mr Bone, which I have not done before. I start by echoing the comments by the hon. Member for Islington South and Finsbury (Emily Thornberry): it is a shame that more people do not listen to some of these debates. This debate has been of a high quality and is particularly poignant in that the serious case review on baby Peter is published today. Perhaps somewhere out there a member of the press will pick up on it, and realise that hon. Members across the House from all political parties are working together, to a large extent outside party political lines, to ensure that we get this issue right for families.

I congratulate my hon. Friend the Member for South Northamptonshire (Andrea Leadsom) on securing this important debate on a subject that is almost fundamental to everything else that we do. I am aware that she has maintained an active interest in infant mental health for a number of years as the former chairman and trustee of the Oxford Parent Infant Project. Its work was rightly recognised earlier this year when it was one of five winners of a national award from the Centre for Social Justice. I congratulate it on that; it is good to see its invaluable work recognised in that way.

My hon. Friend described with some clarity the significant impact of early parenting, the huge challenges that exist for some families, and the problems that ensue from poor parenting that falls short of the therapeutic, loving and securing attachment that children so desperately need. She mentioned the UNICEF report that cited us as the lowest of 25 industrialised countries. It is shocking that we are at the bottom of that table for the well-being and mental health of our children. She highlighted the fact that there is not one best route to get this right. The hon. Member for Southport (Dr Pugh) also talked about it. A huge variety of support is needed if we are not to lose people in the gaps. It is vital that we approach the matter from a multifaceted direction.

Early years intervention is being actively examined by the Minister of State, Department for Education, my hon. Friend the Member for Brent Central (Sarah Teather). We are working closely together. I have been hugely impressed by the work that we have achieved to date and the work that is ongoing. There is no doubt that we will not achieve what we want if we come at the issue from different silos of Government Departments. My hon. Friend the Member for South Northamptonshire is right to cite the growing evidence for what interventions work and to refer to fostering, looked-after children, adoption and a number of other issues on which I can assure her that I am working and will continue to work with other Departments.

There is increasing evidence about the importance of early life and warm parenting. An infant's early experiences have a long-lasting impact on their future health, relationships and happiness. There are also important intergenerational effects. Warm, positive parenting and a strong bond between a mother and baby, as well as the father, lay the foundation for health and happiness throughout life.

I am a mother of four children, aged from 26 to 14. I feel like getting out my 26-year-old from a cupboard and saying, "This is one I prepared earlier," to demonstrate to those who are struggling through the teenage years with their children that it does all turn out right in the end. However, parenting, from whatever background we come, is a challenge. I found it challenging. Even though we might not be in quite the situation that other parents are—we might be better resourced; we might have more money and be in better housing—all of us, in our lives as parents, have had a taste of the tensions and stresses that people feel, and can only imagine what things might be like if we did not have adequate housing and were living with three children in a one-bedroom flat.

The Government are determined to ensure that all families have the right support at the start of life. Health visitors are central to that by providing advice and support through pregnancy, after birth and through the pre-school years, supporting healthy child development and promoting parent-child attachment and positive parenting models. It was a pleasure for me to talk at the health visitors conference last week and re-emphasise our support for health visitors. We want more people in the profession and more people back in the profession to ensure that we have that universal visiting service. That is why, as my hon. Friend will be aware and as hon. Members mentioned, we are investing in 4,200 new health visitors by the end of this Parliament. That is an ambitious target, but we will do everything, pull out all

the stops, to ensure that we achieve it. In last week's spending review, my right hon. Friend the Chancellor of the Exchequer confirmed that the money is there to recruit and train those health visitors.

We also have the healthy child programme to provide the opportunity for health professionals to identify where additional parenting support is needed. Leading and delivering the healthy child programme, health visitors are well placed to identify those families, give them extra support and help them to access more specialised services. We have seen quite a significant decline in the number of health visitors, from just over 13,000 in 2004 to just over 10,000 in 2010, at a time when the birth rate is increasing, and we need to turn that round. The message must go out loud and clear to health visitors: "We want you, we need you and parents and the future generation need you."

The chief nursing officer is working with the Community Practitioners and Health Visitors Association to define what makes a modern health visitor. The hon. Members for Mid Dorset and North Poole (Annette Brooke) and for Islington South and Finsbury mentioned training and whether there is adequate training on things such as mental health issues. It is extremely important that we get that right. The service model that has been built makes clear the value of health visitors and the contribution that they make to better family and community health. Next year we shall move on to a national recruitment drive for health visitors, and we are working on better training options for returners and new recruits, so that a bit more flexibility can be built in to attract people into the profession.

I want to say a few words about family-nurse partnerships for the more vulnerable. The family-nurse partnership is a preventive, intensive programme for first-time teenage parents and their babies, whose outcomes are not good and fall well below those for other parents. Specially trained nurses work with girls from early in pregnancy until their children are two, giving them support to help them to adopt healthier lifestyles, provide good care for their babies and plan their future life goals. Following the spending review, we shall be extending the family-nurse partnership programme, so alongside the support that health visitors will offer for all families, there will be increased access to the highly targeted, highly specialised support that the most vulnerable families need. We shall set out our plans for that shortly.

The outcomes from family-nurse partnerships are very significant. Over the past 30 years, the evidence in the US has shown that family-nurse partnership children have better health development and better educational achievement and are less likely to be abused, neglected or involved in crime. Cost savings are also substantial. Early evidence in the UK is very promising. Family-nurse partnerships successfully engage disadvantaged young parents, including fathers; 87% of those offered a family-nurse partnership take up that offer, so they are significant.

There are many examples of mental health services for infants being improved. A number of regions have set up perinatal and infant mental health networks to encourage partnership working and the sharing of good practice. Volunteers from the charity Home-Start do valuable work in increasing the confidence and independence of families by visiting families in their own homes to offer support, friendship and practical assistance and by reassuring parents that their child care problems are not unusual or unique. My goodness, I could have done with someone from Home-Start myself. We believe that we are the only person going through what can feel like a rather traumatic experience. Those volunteers also encourage parents' strengths and emotional well-being for the ultimate benefit of their children and try to get the fun back into family life.

Annette Brooke: I declare an interest in the point that I am about to make. Along with many other voluntary groups, organisations such as Home-Start are very concerned about their funding. I am a patron of my local Home-Start, and already there has been a cut. I ask the Minister to do everything that she can to support the vital work by the voluntary sector, because, as we all know, it can get into places that the statutory services cannot.

Anne Milton: I thank the hon. Lady for her intervention. She took the words out of my mouth: I, too, must declare an interest as a patron of my local Home-Start. The important message to councils is that when funding is tight, they should think about what works, and as is always the case with the voluntary sector, £1 of taxpayers' money buys significantly more than £1-worth of care and services. Councils need to think imaginatively about how they spend their money and how they get good value for money. That often involves looking to organisations such as Home-Start. It can be extraordinarily short-sighted to cut back on such schemes at a time when they offer much better value for money than can be had almost anywhere else.

There is no doubt that the need for early intervention has been recognised by us all. The hon. Lady rightly pointed out in her speech the huge variety of reasons why we end up in life where we do. I, too, must admit to having been a mother of the Penelope Leach generation, holding baby in one hand and my Penelope Leach book in the other and trying to look up what exactly parents do at 4 o'clock in the morning when their child will not go to sleep. Having been a chairman of the Hackney and Islington branch of the National Childbirth Trust, I must also admit to having been influenced by the likes of Sheila Kitzinger and Susie Orbach, who added to my knowledge base. Some of Susie Orbach's words might still haunt me now, as my daughter approaches the age of 17 and I wonder what sort of effect I have had on her.

The hon. Lady emphasised the point about the nonsense of seeing, say, the fostering of looked-after children through the eyes of one Department. Clearly, that is nonsense—we have to look at it across the board.

I can give the assurance that mental health remains a priority. The Department is working closely with stakeholders to put together a mental health strategy—a child and adolescent mental health services stakeholder event was held earlier this year—and the mental health strategy will take a life course approach. I am determined, and I know that the Minister of State, Department of Health, my hon. Friend the Member for Sutton and Cheam (Paul Burstow), who has responsibility in the Department, is determined that we have a mental health outcomes framework that sits alongside physical health outcomes. For too long we have concentrated on physical health, to the detriment of mental health.

[Anne Milton]

The hon Member for Southport went into some detail about the research, especially the problems with causality and, probably, the need for Governments to take account of continuing research that emerges, to see if we can better define why we are as we are. He is right that we do not do enough to talk about and inculcate parenting in school life and in the upbringing of our children. He is also right to highlight that one of the biggest determinants of educational outcomes is within the family.

In 2008, the hon. Member for Nottingham North (Mr Allen) and my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), now the Secretary of State for Work and Pensions—to whom my hon. Friend the Member for South Northamptonshire paid tribute—published "Early Intervention: Good Parents, Great Kids, Better Citizens", which devoted a chapter to the importance of nought to three-year-olds and parental early intervention.

In July this year, the hon. Gentleman was asked by the Government to conduct an independent review of early intervention delivery. The review will focus on three key things: the identification of early intervention best practice, which goes back to the point about research; how we spread best practice, so we do not see the rather patchy outlook that we have at the moment; and new ways to fund early intervention in the future. What is impressive, and what we have seen again this morning, is the cross-party approach that has been adopted.

The Government have a role to play, but we all know that the first place that people turn to for help and advice is often their family and friends. We should not forget that. So, it is the individuals and organisations rooted in the community that can often have the greatest influence and impact, including local community groups, the voluntary sector and Sure Start centres.

Health visitors, as public health professionals working with families, are uniquely placed to bring people together across local communities to drive change on the problems that families face. As the health-visiting work force grows, there will be more opportunity for them to develop that wider role. We will provide support through a new training programme for health visitors, to be launched next year, to refresh and extend their community health skills.

The hon. Member for Islington South and Finsbury raised a number of issues. I hope that I have got them all down. I would like to touch on them before I conclude. We need to remember in so much of what we do that the issue is not necessarily about the quantity of money but how we spend it. We have an imperative to spend it more wisely than ever before, but the quality of what we get out of it is what matters, not necessarily the sum that goes in.

The hon. Lady rightly mentioned the importance of day care and the need for it to be of a high quality. It is not about whether parents stay at home or work, nor is it about making value judgments on how people live their lives. It is about providing a framework in which parents and children can thrive. Sure Start health visitors and the need for good-quality mental health awareness and intervention are crucial, and increasingly so. If one in four of us suffers from a mental health problem, we are looking at similar statistics among parents. The hon. Lady is right that universality is important—on stigma and access.

I must also point out that massive forms have been a feature of past Governments. They are always a feature of anyone trying to be a gatekeeper to scarce resources and are rarely effective. The Government are determined to banish them. The hon. Lady also mentioned early intervention grants. I can assure her that I met to discuss the matter with the Minister of State, Department for Education, my hon. Friend the Member for Brent Central, only yesterday. We are looking at it.

I have responsibility for public health, so I sit on a number of committees—a very large number—which is useful. I am in a group on families which the Prime Minister set up and a number of inter-ministerial groups, including the Cabinet Social Justice Committee. The same theme runs through all those areas—we have got to get this right, we have got to get the money focused in the right areas and we have got to get the money focused on areas giving us good outcomes.

In conclusion, I thank my hon. Friend the Member for South Northamptonshire for securing the debate. She made a number of important points about the mental health of infants. I hope that the NHS White Paper gives us a chance to refocus on achieving better results for them. The public health White Paper, which will be published later this year, will build on that. We also need an outcomes framework that will be a central driver of improvement, ensuring that the NHS treats the person as a whole—holistically—and not the disease.

Meeting parents' needs effectively depends on good local partnerships. Groups such as the Oxford Parent Infant Project are a good example of that. I am keen on a strong dialogue with the voluntary sector. Indeed, the White Paper is all about opening the door to such organisations. By working together in that way, we can do much better for the mental health of our infants, families and communities. We have a duty to secure the future generation of parents.

Mr Peter Bone (in the Chair): Thank you for that splendid debate. The sitting is suspended until 11 am.

10.47 am

Sitting suspended.

Coalfield Communities (Regeneration)

10.54 am

Mr Peter Bone (in the Chair): I thank the hon. Member for Wigan (Lisa Nandy), the Minister and the Opposition spokesman for being here. As they have turned up early, we can start slightly earlier.

Lisa Nandy (Wigan) (Lab): It is a pleasure to take part in my first Westminster Hall debate under your stewardship, Mr Bone. I proposed the debate quite simply because no other issue is as important to me or the more than 75,000 people I represent. When the pits were closed, Wigan was devastated by not only the job losses, but the unprecedented collapse of a way of life, which pulled the borough's economic base from under it. The scars of that legacy remain to this day.

As a new Member, I am acutely aware that many colleagues have fought for many years to provide hope for communities such as mine across the country. I pay particular tribute to the work of my hon. Friends the Members for Blaydon (Mr Anderson) and for Midlothian (Mr Hamilton), my right hon. Friend the Member for Wentworth and Dearne (John Healey) and, of course, the former Member for Barnsley, West and Penistone. It is perhaps a tribute to the strength of feeling in the House that so many hon. Members are here today. When I was granted this debate, my office was flooded with e-mails from colleagues across the House, who said, "I've no idea who you are, but I'm glad you're taking an interest in this." On a serious note, that shows how many of us care passionately about this issue.

I hope that the Minister will take note of the concern not only in this place, but among councils, businesses and community groups, which will be watching developments closely and waiting for his response to the Clapham report. In light of the strength of feeling, I would be grateful for a commitment from him that hon. Members will be the first to hear the Government's response to the report. I would also be grateful for a commitment today that he will make an oral statement to the House when a decision is reached.

We are of one mind that the coal fields remain unique in terms of the deliberate destruction of the industry that underpinned them, the scale of job losses and the associated economic devastation. They were also unique in their reliance on a single industry to provide not only jobs, but housing and the social life that underpinned communities.

At its height, my town of Wigan had more than 1,000 pit shafts within five miles of the town centre. Although I am proud of that legacy, the health legacies remain in Wigan to this day. People in my constituency get sick earlier and die younger. There are great disparities in life expectancy between different communities in my constituency. Too many people are still in low-paid work and are therefore extremely vulnerable at this difficult economic time.

Thanks to the work of my local council, we have not suffered the high levels of youth unemployment that many of my colleagues have experienced in their areas, but too many remarkable young people have expectations of life and of what they can achieve that are far too low given their talent and ability. With the package of measures announced in the Budget and the spending review, such as the abolition of the future jobs fund, I am concerned that those young people will be more vulnerable than ever. At a time such as this, it is more important than ever that we continue the work that we started in late '90s to support communities such as mine; otherwise, we will condemn another generation to the waste of the '80s and '90s.

The Coalfields Regeneration Trust and the coalfields regeneration programme were more than just an initiative; they were a covenant between a Government and a series of communities that had been left to suffer so much. In making that offer, the Government were telling people, "We will support you because you deserve our support." The trust and the programme have played a really important role in the progress made in Wigan and elsewhere. The gap between Wigan and elsewhere has narrowed over the past decade, and the same is true in other areas. Lives and communities have literally been transformed.

The trust understands the unique challenges and the social character of ex-coal field communities. As a result, I have seen for myself how it does things that other public agencies simply cannot do. In Wigan, for example, I have seen how it has boosted skills and confidence, enabling people to have the basic confidence they need to reintegrate into society and find employment.

Thanks to a relatively small level of investment, more people in my constituency can use the internet; more people have been helped to set up small businesses—something that they never would have conceived they could do several years ago; and more people are running self-sustaining sports and swimming clubs, which bring huge value to the community. It gives me great pleasure to remind hon. Members how much better at sport Wiganers are than most others. However, I am also delighted that the Coalfields Regeneration Trust and Wigan council have recognised how important sport is to our community, and that programmes that have helped to rebuild confidence and combat social isolation have been built around the sport that acts like a social glue in the community.

My constituency is similar to those of other hon. Members present for the debate, in that we have the twin challenges of inner-city deprivation and rural isolation. The Coalfields Regeneration Trust is uniquely placed to understand how to tackle those two factors. I am delighted that the Government have placed on record, in their initial response to the Clapham report, their understanding of the importance of a localised approach, and of local authorities in delivering the programme. Mick Clapham is clear in his view that there is still significant work to do and that there have been some limitations to the approach that has been taken thus far. It is important to recognise that and to look closely at his recommendations.

In discussing the issue with my hon. Friends in the past months I have found a strong recognition of the fact that at the outset, the previous Government were not fully aware of how long it takes to restore a community, socially, economically and physically, when it has suffered such unprecedented devastation. However, the review makes it clear that the unique character of the coalfields remains and that there is an important continuing role for the trust and the programme. I know that the Minister understands that, because he said to my right hon. Friend the Member for Wentworth and Dearne on 19 July that there were

"no plans to dismantle the programme."—[*Official Report*, 19 July 2010; Vol. 514, c. 151.]

[Lisa Nandy]

I would be grateful if the Minister confirmed that that is still his view. I would also be grateful if he told us when he will make a decision regarding both the programme and the trust, and when an official response will be made to the Clapham report. He will be aware that local authorities such as mine are having to make difficult decisions about their budgets in the light of the spending review, which has cut funding to local authorities by up to a third. Certainty about the programme is obviously of the utmost urgency to those authorities, so I should be grateful if the Minister shed some light on the matter.

I know how many colleagues want to speak this morning, and I want to end on this note: the Budget and the spending review have hit my constituency disproportionately hard. I have been flooded with letters from young people who are desperately concerned about their future, because of the demise of the future jobs fund, restrictions on the education maintenance allowance and proposals to raise tuition fees. I have been contacted by older people who lost their jobs and homes the last time the Conservatives were in government, and who do not think they can survive it again. I have also been contacted by many people who work for or run small businesses, who are desperately concerned about who will lend to them and support them now the regional development agencies have been abolished. Continuing to provide support to communities such as mine is both a duty and a lifeline. I know that the Minister is a reasonable man and I hope that today he will give the people I represent hope for the future.

Several hon. Members *rose—*

Mr Peter Bone (in the Chair): Order. It is great to see that so many hon. Members are here, but the winding-up speeches will start at about 10 past 12. Perhaps hon. Members could keep their speeches to an appropriate length.

11.3 am

Joan Walley (Stoke-on-Trent North) (Lab): Welcome to the Chair, Mr Bone. I am sure that you will keep us all in order and make sure that there will be an opportunity to press the case for every single coalfield community that is represented here, and that the Minister will have ample time to reply; then perhaps we can go away with a little hope in our hearts that the coalition Government are really listening to what coalfield communities need.

I shall try to be brief. I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on raising the issue, and giving us the opportunity to have the debate. She made the point that no one really understood how long it would take to put the life back into our scarred coalfield communities. Sometimes in this place it feels as if we are doing things for our children, but it is actually for our grandchildren and great-grandchildren. The coalfield community programme that the previous Government set up took a long time to establish. A lot of work was done through English Partnerships, and the then Deputy Prime Minister made sure that there was a programme that could bring the former coalfields back to life. It took a long time, and when it was finally set up and we had the wonderful work of the Coalfields Regeneration Trust and the coalfield community programme bringing investment to our areas, and funding was secured, it made a difference.

Really, however, that was just the very beginning, and parts of the former coalfield communities, such as my own in north Staffordshire, were very slow off the mark, for all kinds of good reasons. We did not have the capacity to make the applications in the first place to the coalfield programme. Consequently a lot of work had to be done to encourage residents' associations and local partners to make applications. I thank the Coalfields Regeneration Trust for the work that was done towards the end of the programme. However, in Stoke-on-Trent we are only just beginning to reap the benefits of the coalfield programme, and much work is undone in relation to grants to local organisations and partners. For that reason I want the programme to be continued so that priority is given to the worst-scarred areas.

The other side of the coin is that, as well as the grant made by the CRT, a huge amount of money was provided from what was originally English Partnerships and then through the Homes and Communities Agency. I want briefly to mention the work that is already going on in the north Staffordshire coalfield, on the Chatterley Whitfield site. Chatterley Whitfield was a Victorian colliery and the first in the country to produce more than 1 million tonnes of coal a year. It was part of the industrial revolution. However, since the pit closed there has been little replacement work in the area. With the help of the coalfield programme we have a long-term vision for restoring the site. I am pleased to say that with the help of £15 million I opened, only this Saturday, the land remediation that has resulted in a huge countryside park for local people.

The next important step is investment in job creation on that site. I fail to see how that money can be made available without a targeted approach to former coalfield communities such as mine. Yes, what happens must be recognised as part of the local enterprise partnerships, which the Government will, I hope, agree for areas such as my constituency, but I believe that the continuation of the funding for coalfield areas is so important that we must not lose sight of it. I hope that we are sending the Government a clear message that we want the Minister to sit down with all MPs who represent the areas in question, to make sure that the funding that was put in place can, despite everything, continue in a meaningful way.

11.8 am

Mr Mark Spencer (Sherwood) (Con): I do not know whether I am unique among Conservative Members in this regard, but I still have a working coal mine in my constituency, at Thoresby. It is a very efficient coal mine. Welbeck, which was just outside my constituency, has just been lost. I think that Sherwood lost more coal mines than most other constituencies. There were nine active coal mines, if one goes back 20 years, and eight of those have disappeared, which left the constituency with enormous challenges in certain places. I wanted to take the opportunity to tell hon. Members how we dealt with that—to talk about some of the good things that were done, and some of the poor things—and to say how the Coalfields Regeneration Trust assisted in some areas, but did not work in others. Unless a person lives

in a constituency with those challenges, they will not comprehend how big they are. We need, across the parties, to ensure that that message gets across.

One way in which we went wrong was in concentrating on physically restoring some of those areas. Frankly, we spent a lot of money on grass seed and trees, and on renovating spoil tips and pitheads, instead of concentrating on generating jobs. Fundamentally, this is about jobs. If young men leave secondary school and do not have jobs to go to, it has an enormous social impact, and it happens because we have not concentrated enough on generating sufficient employment in such areas.

I point to several mistakes that were made in Sherwood. The Ollerton energy village was an industrial area designed to create employment, but it turned out to be a large industrial development that was successful only in relocating jobs from one part of my constituency to another. It did not generate a single new job for my constituents; all it did was move those jobs around the county. We need to think much more strategically about the type of employment that we generate.

We have also rebuilt village halls, scout huts and other such things, which are fantastic for the community. However, if a son says to his father, "Dad, I want to go to Cubs and to Scouts, and to go to the Scout camp," the father cannot facilitate that unless he has a job. However, if the father was well employed and his son said, "Dad, can you help us raise some money to rebuild the Scout hut?", he would be in a much better position.

I compare the two ends of my constituency, and the villages of Ollerton and Calverton. Calverton is much closer to Nottingham city centre; it has good public links, and young people are able to get from the village to their employment. The hon. Member for Wigan (Lisa Nandy) referred to inspiration and aspiration. Fundamental to the debate is how we give young people leaving school the aspiration and inspiration to go for full-time employment.

11.12 am

Nick Smith (Blaenau Gwent) (Lab): I thank my hon. Friend the Member for Wigan (Lisa Nandy) for initiating this debate. I support the recommendations of the coalfields regeneration review, particularly on the Coalfields Regeneration Trust in Wales, Scotland and England.

Blaenau Gwent is a coalfield area. Many members of my family have worked in the pits. My grandfather was a miner, as were three uncles on my mum's side. Blaenau Gwent has come on by leaps and bounds in recent years. We have pulled ourselves up by our bootstraps. Our coal tips have been regenerated to wonderful effect. Tredegar, my home town, has a wonderful leisure area in Bryn Bach park; it has a lake and there is camping and golfing.

Former miners and their families have been retrained, including members of my family, and have gone on to get good jobs. In recent times, there have been wonderful community art initiatives, including the Six Bells memorial, which commemorates those who died in the mining disaster of 1960. However, much more needs to be done, particularly at the old steelworks in Ebbw Vale, which requires further investment. Plans are in hand for a new learning campus, a new theatre, housing and a hospital, named after Nye Bevan, on old industrial land. However, unemployment is still at 10%, and many people still die too early.

Much more needs to be done. Coalfield areas such as Blaenau Gwent need much more investment for the future. The Government must help us with that work.

11.14 am

Grahame M. Morris (Easington) (Lab): I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing this debate at a very important time; we are in the aftermath of the comprehensive spending review, and the future of the Coalfields Regeneration Trust is under review.

I represent the seat of Easington, which comprises a series of small villages and two large towns. As with Sherwood, mining was the principal industry there. We lost all our coal mines 20 years ago. The town of Seaham, where I live, had 3,500 working miners, and unless one lives in that kind of environment, it is difficult to comprehend the scale of the pit closures. The communities that constitute Easington were formed around the coal mines, which were sunk at the end of the 19th and the beginning of the 20th centuries.

The communities that I represent owe their existence to the mining industry, which sustained Britain's economic wealth, powered the country through two world wars, and created the energy with which the industrialisation of Britain took place. Easington and the Durham coalfields provided the coal that powered the nation; in the aftermath of the pit closure programme, I believe that the nation owes Easington and the other coalfield communities a debt of honour.

However, in our community, as in so many other proud coalmining communities, that mining legacy has been wiped away by a determined adversary. The communities that developed around the pits witnessed, and experienced at first hand, how easily the employment and social welfare that characterised our coal mining communities could be wiped away; furthermore, they witnessed the fact that support for a new economic foundation would not be supported by the Government.

No single industry could step in to replace coal mining, and support for the diversification of the local economy—vital in areas such as mine—was not forthcoming for many years. The unique challenges for former coal mining communities are as important today as they should have been at the time of the mass closure of the coal mines. It is essential to recognise the need for Government support in the transition from a wholly dominant economic sector to a local economy that is more diverse and that supports small businesses and large, new industries.

Building a modern infrastructure and laying the foundations for new industries, particularly new green industries, as well as supporting social and community development and the growth of small businesses and entrepreneurship, will bring about prosperity. Deprived areas, such as east Durham, which I represent, still desperately need an awful lot of work. The unique character and the various complexities of the challenges faced by coalfield communities require a unique and multifaceted response from the Government. The previous Government recognised that fact through their distinctive coalfield regeneration programmes. I echo the sentiments

[Grahame M. Morris]

expressed by others today, including by my hon. Friend the Member for Wigan, in paying tribute to the excellent work done by the Coalfields Regeneration Trust.

The public sector is one of the largest employers in my community and many other coal mining communities, and is the provider of key services for people in them, but it is again under attack. My hon. Friend the Member for Wigan referred to the loss of the future jobs fund and the impact that that would have. She also spoke of the impact of cuts in local government budgets. Many of the lifelines given to my region by the last Government are being taken away. We have lost our Minister for the North East, who did an excellent job in attracting investment to Easington and other constituencies in the north-east. We have also lost the Government office for the north-east and our regional development agency, One NorthEast.

Although the review of coalfields regeneration found that the state of coalfield areas was improved when compared to a decade ago, it outlined the continuing need for social change. I hope that the Government understand the key challenges. Coalfield areas suffer due to the ill health of older generations—ill health caused by former working conditions. The situation is exacerbated by the ill health of the younger generations due to poor employment opportunities and the low expectations that result from their marginalisation in the active labour market. The Government must not set their sights on penalising the older generation, who, not unexpectedly, are suffering from disabilities. It would be eminently more sensible to put Government support into creating opportunities for work; that could prevent the next generation from falling into a cycle of economic inactivity, and eventual disability and incapacity.

I briefly want to outline some of the specific benefits that the CRT has brought to my constituency, including the support that it has provided to particular projects. In the small village of Murton, the Murton Welfare Association manages the Murton Miners Welfare Institute and Recreation Ground charity. It maintains the sports fields, cricket pitches and pavilion at the welfare park on behalf of several local sporting clubs. Examples such as that illustrate how our mining heritage, which was typified by the scenes depicted on the miners' banners, is still interwoven into every aspect of our community life. Although such associations are strong in volunteers, they require financial support that would previously have been provided by contributions from working miners at the pit point.

As hon. Members may be aware, the people of east Durham suffer from poor diet, which often manifests itself in ill health later in life. The Food Chain North East community interest company, which is supported by CRT, is a CIC that seeks to increase access to affordable, high-quality fresh foodstuffs, and make them available to disadvantaged individuals in communities in the north-east, particularly in Easington. The company works with a wide range of community groups, public-sector bodies and other agencies to encourage healthy eating, and it also contributes to the national healthy living agenda. It sources healthy, fresh food and then distributes it to local community venues, households and some workplaces with the support of more than 100 volunteers.

East Durham Community Transport offers an employment lifeline through its "bigger wheels" project. It provides vital, low-cost transport for youth and community groups, charities and other non-profit-making voluntary organisations and statutory bodies. The CRT grant has allowed the group to purchase a new 24-seat wheelchair-accessible coach. East Durham Community Transport also provides a low-cost and very innovative car hire scheme that allows unemployed people who have no transport to take up jobs further away in the Teesside and Tyne and Wear conurbations. Without targeted support from the CRT, such services would have no other means to provide assistance to some of the most disadvantaged communities in Britain.

I am aware that the Minister had some positive words to say on Michael Clapham's report, and I hope that he will today outline how he intends to back up those words to ensure continuing provision for our hard-pressed coalfield communities.

11.22 am

Ian Lavery (Wansbeck) (Lab): I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing today's much-needed debate. I extend my thanks and the thanks of my community to Michael Clapham, Peter McNestry and the trustees of the Coalfields Regeneration Trust for the excellent work that they have carried out over a number of years. My constituency of Wansbeck is located in the south-east of Northumberland. It is the very heart of the Great Northern coalfield. Indeed, it was the engine room of the great industrial revolution. My constituency offices are sited only 100 yards away from the largest coal mining village in the world—the largest pit in the world is only 100 yards away.

A competition seems to be developing in this debate over who has the most pits and who had the most miners in their constituency. The pit next to my office had 5,000 people working there at one time. I do not think that there is anybody in this Chamber who can beat that. I notice, Mr Bone, that no one wishes to intervene on that comment. Seriously, we are affectionately known as coal town across the world. We had 30 to 40 large mines in my constituency alone. Sadly, the thousands of jobs that were provided by the mining industry have never been replaced, and parts of Wansbeck have never fully recovered from the devastating effect of those job losses.

This week, the announcement in the comprehensive spending review that 490,000 public sector jobs are to go, and all that that brings with it, including the knock-on effect on the private sector, is quite frightening. I am well aware that there are several strands to the regeneration of the coalfields, but I intend to focus on the role of the CRT. I speak today as someone who participated in the coalfield regeneration review consultation process and as, probably, the last working miner who will come into Parliament. I am sure that comrades across the Floor will suggest that "working" might not be the appropriate word to use, but I contest that.

I support the important work of the CRT and recognise its significant contribution to the communities throughout my constituency and beyond. There is no doubt that the CRT has done an excellent job both in Wansbeck and throughout the north-east. To date, it has made grants of more than £31 million to 1,000 groups in the coalfield

communities of the north-east. In Wansbeck, the projects benefit people of all ages and from all sections of our community. The CRT grant was used by the citizens advice bureau to take on new staff to provide advice on financial matters, which is extremely important. CRT funding was used to convert a former garage into a 110-place child care centre, and the Cambois rowing club used the funds to build an extension to the boathouse, which enables it to provide rowing opportunities for all ages and for all sections of the community. The flagship Hirst welfare centre in Ashington used the funding to develop its centre in one of the most deprived wards in Northumberland.

Mr David Hamilton (Midlothian) (Lab): Does my hon. Friend not agree that at a time when major cuts are foreseen in the public sector and when a number of the organisations that he mentions will be cut back, there is room for a focused organisation such as the CRT in Scotland, Wales and England? This is a time when it will be needed more than ever.

Ian Lavery: I agree wholeheartedly with my hon. Friend's comments. The projects that I have just mentioned, and there are a few more to come, are all waiting with bated breath to see whether they will be able to continue in the future. They are organisations that can only live and breathe in the communities if they receive funding from bodies such as the CRT. Everyone in those organisations is extremely concerned about their future. That is why it is imperative that we have this debate and hopefully get a commitment from the Minister.

Mr David Anderson (Blaydon) (Lab): I welcome you to the Chair, Mr Bone, and thank my hon. Friend the Member for Wigan (Lisa Nandy) for securing this debate. Does my hon. Friend the Member for Wansbeck (Ian Lavery) agree that one of the reasons why the problems have lasted so long in the mining industry is that the previous Tory Government had a view that it was not their role to intervene in the social impacts of the closure programme? If they had, our regions would be much further down the line than they are now. Our worry now is that we have been here before, and if the support is cut, we will go backwards.

Ian Lavery: My hon. Friend is exactly right. That is why we must, at all costs, ensure that there is a commitment to the CRT, and that help gets into the mining communities. We have not, in any way, shape or form, overcome the problems from 25 years ago. Some of the communities are still absolutely devastated by the impact of the closure of the coal industry. The health and crime rates are compounded by the fact that the industry was closed. Overnight, some communities were shut off from the rest of the world.

At the Hirst welfare centre, we have a healthy living centre, a gym, an IT suite, a community café, a toy library, a crèche facility, youth activities, photography, salsa dancing and training activities. We also have something that is pretty unique in the mining communities—a class for belly dancing. There are not many miners or miners' wives who have ever been interested in belly dancing and I would love to see some of my Labour colleagues taking up such a class. I have not done it myself yet, but people tell me that it is very good.

Mr Hamilton: Will my hon. Friend give way?

Ian Lavery: I will not give way if hon. Members are going to ask me about belly dancing.

Mr Spencer: That is an example of something that is nice to have but that is not an essential item. We should have been concentrating on employment—it has got to be about jobs.

Ian Lavery: That is not correct. I am trying to outline what the CRT has provided in terms of grant assistance for people within the community. There are other organisations for the creation of jobs, and finances should be readily available for those organisations. For example, there is One NorthEast, but its total closure has just been announced. Those are the organisations that should be looking to present job opportunities in these communities. What I am outlining this morning is what the CRT has done in the communities to help people to regain their self-esteem, as was the case when people in those communities, including their fathers and mothers, all had employment, but now these communities have very little employment. So there is a huge difference. I really do not see the CRT's role as creating employment in the communities; its role is quite distinct from that. It has a huge role to play, without having to create jobs.

Lisa Nandy: Does my hon. Friend agree that that is precisely the point of the CRT; that it understands that when a community has been so hugely devastated—not only economically and physically, but socially—the types of activities that he is outlining are precisely the route into employment, because they give people the social integration, the confidence and the skills that they need to seek employment and to make a success of themselves, particularly those people who go on to become entrepreneurs and set up their own businesses?

Ian Lavery: Yes, of course; that is exactly right. It is about encouraging people to participate in life once again; they are reborn. They actually understand what it is like to mix with other people once again and to be part of a community again. I think that that is the essential role of the CRT, whether it be in rowing, in swimming or in belly dancing. I know that I joked about belly dancing, but it is a fact that it is important. The CRT has a whole mix of roles within the community. That is what the CRT is desperately needed for.

The north-east was once a major industrial region and it has a former mining population of more than 650,000; that is more than a quarter of the region's entire population. Those figures show the hugely important contribution made by mining communities in the north-east, and the size and the importance of the task that was undertaken when the previous Labour Government quite rightly embarked on their coalfield regeneration programme.

However, despite the excellent work of the CRT, there is still a lot more to do. In the deprivation profiles, the former Northumberland and Durham coalfields are listed as having significant deprivation across most domains. That is the issue: the deprivation situation in the former coalfield areas.

Mr Anderson: I thank my hon. Friend for giving way again. Does he not feel simply annoyed when the hon. Member for Sherwood (Mr Spencer), who was probably waving his Order Paper last week, talks about job creation, when last week we were told that the Business Link in Seaham in county Durham is sacking 115 people? Those people are part of an organisation of 400 people who, within the last three years, have created 15,000 jobs. That is the truth of what we are seeing. The hon. Gentleman should not denigrate what is happening with the CRT; the CRT is trying to fill a gap while other organisations are being attacked by the present Government in the same way that the collieries were attacked 25 and 30 years ago.

Ian Lavery: Yes. Just on that point, I must say that one of the worst things that I have ever experienced in my life as a trade union representative and a representative of the Labour and trade union movement was the announcement last week that up to 490,000 jobs were to go in huge cuts across the whole of the country, and at the same time we had people in the House of Commons—people who were elected to be responsible people—waving their Order Papers jubilantly, as if something tremendous had happened. It was an absolute disgrace and I would like that placed on the record.

I will wind up my speech by saying that the employment situation in coalfield areas such as mine looks likely to deteriorate even further as the coalition threatens to axe the jobs that I have just mentioned. Since the demise of the coal industry in the north-east, particularly in my constituency of Wansbeck, we have become dependent on the public sector for employment. It is clear that central Government need to maintain and build upon the support that has already been provided for coalfield areas such as Wansbeck. I recognise that the CRT has a huge knowledge of the coalfields and of our communities. Consequently, it should have an important role to play in the ongoing regeneration of our communities.

In conclusion, I must just cite one or two statistics: 67% of women employed in my constituency are employed in the public sector; 53% of the people in Morpeth, a large town in my constituency, are employed in the public sector; and in total 47% of all the people employed in my constituency are employed in the public sector. We are an area of high unemployment; we are a low-wage economy; we have high teenage pregnancy levels, and we have high crime levels. We have everything associated with poverty, because of the closure of the coal mining industry. And I tell you now, Mr Bone, that I am petrified for the future of my community. However, the CRT can play a major role in trying to assist the people whom I represent in my community, and it is essential that the Government continue to fund the CRT, so that it can help people such as my constituents in Wansbeck.

Several hon. Members *rose—*

Mr Peter Bone (in the Chair): Order. At least five Members are trying to catch my eye and we will begin the winding-up speeches at 12.10 pm. It is helpful to the Chair if Members submit their names to speak in advance, and they are more likely to be called early in a debate if they do so.

11.36 am

Mr Wayne David (Caerphilly) (Lab): I want to say a few words about the comprehensive spending review and its likely impact on the south Wales coalfield. To begin with, however, I want to refer to some of the key features of the central south Wales coalfield.

First, like many other coalfield areas in the UK, there is a relatively large public sector in my area. Local authorities, the health service and the Welsh Assembly Government are all big and major employers in my area. Secondly, following the decline of the coal industry, we have seen a diversification of the economy. Nevertheless, there are still very low wages and a low skills base in my area, and that is common throughout the region.

Thirdly, we have a relatively small private sector, and what private sector there is remains closely linked to the public sector and dependent for many contracts on that sector—we cannot differentiate between the private and public sector in any meaningful way in south Wales.

Fourthly, again like many other coalfield areas in Britain, there is a legacy of ill health in my constituency. If we look at the heads of the south Wales valleys in particular, we see a very high concentration of incapacity benefit claimants. That is a clear legacy of heavy industry. Since the demise of the coal industry, much of that welfare dependency has become intergenerational and there is a whole range of complex social issues to be considered.

Within that context, my Caerphilly constituency is right at the heart of the south Wales coalfield. Just to the north of Cardiff, it is a constituency where the coal industry was at one time by far the most dominant employer. Relatively recently, however, it has been hit by the closure of two of the largest collieries, Bedwas and Penallta, in the wake of the 1984-85 miners strike. Today the local authority is by far the biggest employer in the Caerphilly borough. Caerphilly borough council employs no fewer than 8,000 people; as I say, it is by far the biggest employer in my constituency.

As well as people being employed in the local public sector, people are of course prepared to travel. Travel-to-work patterns in the area give the lie to the recent comment by the Secretary of State for Work and Pensions that people are not prepared to travel. The facts clearly belie that statement. I am aware of constituents of mine who travel to Newport to work in the public sector: in the passport office—sadly, it is due to close—the patent office and elsewhere. They travel to Cardiff to work in the Welsh Assembly Government offices, the tax office, the offices of the Department for Work and Pensions and Companies House. Many people from Caerphilly travel over the mountain and down into Cardiff.

Owen Smith (Pontypridd) (Lab): Does my hon. Friend agree that the recent statement by the Secretary of State for Work and Pensions reveals on his part—and, I fear, on that of many Conservative Members—a deep misunderstanding of the endemic nature of unemployment and incapacity in areas such as my hon. Friend's constituency and mine? It is fundamentally insulting to the people of those communities and implies that they are workshy, when the reality, as he describes, has to do with the communities' industrial heritage.

Mr David: My hon. Friend is spot on. The recent comments by the Secretary of State for Work and Pensions show a lack of understanding of contemporary south Wales, the history of its coalfield and the true determination of its people. Clearly, where there are jobs, people are prepared to travel to them. That is a fact.

In communities in the south Wales coalfield, including in my constituency, the CSR will have a truly devastating impact on the public sector. PricewaterhouseCoopers estimates, for example, that Wales as a whole will lose 52,000 jobs in the private and public sectors as a direct result. Services will be hit, the most vulnerable will suffer and benefit recipients will lose out hugely. The Institute for Fiscal Studies suggests that the CSR will hit the less well-off the hardest, which I am sure is correct, and that the places where the pain is greatest will be geographically concentrated. I suggest that places such as south Wales will be far harder hit than, for instance, the south-east of England.

Ann Clwyd (Cynon Valley) (Lab): My hon. Friend can hear that I am croaking at the moment. Does he agree that the figures for disability in the whole UK show that some of the highest percentages of disabled benefit recipients are in the south Wales valleys, which many of us here represent? Does he also agree that the new tests imposed by the Government in their mad rush to cut benefits will be distressing for people who used to work in heavy industry, such as coal miners, if they are expected once again to undergo medical tests that are already proven not to work well? We have asked the Government to delay those tests until they have a better system in place. Does he agree with that?

Mr David: Yes, certainly. I am sure that all of us from coalfield areas are aware of increasing numbers of constituents coming to our surgeries and offices to express concern about how things will pan out over the next few years. My right hon. Friend has articulately put her finger on a concern felt by many people in places such as south Wales.

The crucial point I want to address is this. The Government, particularly the Chancellor, have belatedly accepted that job losses in the public sector will be significant, but they also say they believe that the private sector will grow quickly and soak up those who lose their jobs in the public sector. I suggest that that is not the case. In areas such as south Wales, there are many key factors, which I identified earlier, that will work against private sector growth. For example, the public and private sectors are interdependent, as the Federation of Small Businesses recognises.

A number of announcements were made just before the comprehensive spending review. For example, it was announced that the Severn barrage will not be constructed. If it had been, it would have been a huge boost for the private sector economy in south Wales. The defence training college has been shelved, and effectively ended. That would have been not a public sector but a private finance initiative, and would have created an estimated 5,000 new jobs in south Wales, but it has been scrapped. We also hear—again—that it is unlikely that the south Wales railway line will be electrified, which would have proved a huge stimulus to the south Wales economy and a job-creating initiative.

We do not have a strong entrepreneurial culture in south Wales. That is not to suggest that people themselves are not entrepreneurial, but historically, creativity has not been directed into the private sector. That is beginning to change, but it is a long-term process that will only come to fruition many years hence.

It is also worth pointing out that as a result of the policies pursued by the last Labour Government, private companies have not shed as many people as was widely anticipated. Many workers now work part-time or are still on the books but not taking up their full cash entitlements. It is therefore more likely that those people will be reactivated, rather than that large numbers will come off the dole queue and go directly into the private sector. Due to those factors, it is pretty clear that areas such as south Wales will not experience a great boost for the private sector; quite the opposite. It is likely that we will lose jobs in the private as well as the public sector.

Owen Smith: I am grateful to my hon. Friend for giving way once more. He might be interested to know that yesterday, on behalf of the shadow Secretary of State for Wales, my right hon. Friend the Member for Neath (Mr Hain), I met a group of 20 or so US companies, many of which have invested in this country, some of them in south Wales. I explored with them their belief in their ability to hire new people and invest in the current climate. The clear message that I heard from them was that, in their view, there is no capacity right now to take on the people who will be laid off in the public sector. They are worried that the impact of the CSR will strip demand from the economy, and they are not in a position to hire the people who will be thrown on the scrap heap.

Mr David: That is a useful intervention and it underlines my point. It is a myth that the private sector in areas such as south Wales will undergo a great burgeoning; that simply will not happen. It is depressing to recognise, but that is the reality. We must be honest with ourselves and our constituents so they realise that if this Government stay in power and do not change their policies, at least for the next few years, the immediate future will be bleak indeed. To conclude, I hope that the Government will listen and accept objective reality, because many people are concerned that an ideological fixation drives this Government's policies, irrespective of public opinion.

Mr Dai Havard (Merthyr Tydfil and Rhymney) (Lab): The insult by the Secretary of State for Work and Pensions was directed specifically at my community. It was born of ignorance. Does my hon. Friend agree that we are seeing a repeat of the lack of a strategy for transition, as a number of Members have discussed, in an attempt to deliver on the rhetoric surrounding the big society? The role of coalfields regeneration is not and never has been to act as a substitute for the state; it is to supplement and support the state's activities, thereby building the good society, consistent with Labour's ethical socialism, and not some big society, which is, frankly, a meaningless slogan without a transition plan.

Mr David: I agree completely. We have heard a lot about the so-called big society, but I am reminded of what former Prime Minister Mrs Thatcher said: there is no society, only individuals. That is what we are seeing in practice. There is an emphasis on individualism without

[Mr David]

the recognition that we need a strong, coherent society with a strong public sector and third sector—as well as a strong private sector—for individuals truly to fulfil their potential. For us to continue the transition that has started to take shape over the past few years, there needs to be a continuation of the policies introduced under the previous Labour Government, rather than a dramatic hiatus like the one currently taking place. I therefore urge the Government to think again about the policies they are pursuing and to recognise the impact they will have on individuals and communities in our poor, hard-pressed coalfield communities. If they do that, I hope to goodness they will realise that they need to readopt the sort of policies we have seen during the past 13 years.

11.50 am

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): In view of the time and the fact that other hon. Members want to speak, I shall keep my remarks brief. I should refer to the fact I am a trustee of the Barony 'A' Frame Trust in Ayrshire, which received funding from the Coalfields Regeneration Trust. I will make some brief remarks about the importance of the CRT in Scotland. We have already heard some good examples of work that has been undertaken in other areas and I do not intend to go through the whole list of valuable projects across Scotland, but I shall just mention briefly a few of note.

The Barony 'A' Frame Trust is symbolic in my area. The hon. Member for Sherwood (Mr Spencer) talked about some of the things that are not useful because they do not create jobs, but it is important to remember that we sometimes have had to re-create communities that were absolutely devastated by what happened when the pits shut. In areas such as mine in Ayrshire, everyone has that mining heritage and it is important that we never ever forget the contribution that the miners and their families made in a range of ways to communities across Scotland.

Mr David Hamilton: Does my hon. Friend accept that when we talk about travel to work—a point was made about that in relation to how people can get employment—it is much easier for people in Midlothian, where 56% of the population work in Edinburgh, than for people in places such as Ayrshire, where there are no major cities or towns around?

Cathy Jamieson: My hon. Friend is absolutely right. The opportunities for people in the more rural coalfield areas in Scotland are difficult, which is why it is important to have schemes such as the coalfield community transport scheme in my area, which involves a fleet of yellow buses. That scheme not only enables people to get to leisure activities but, importantly, allows them to participate in things such as the east Ayrshire community planning partnership or some of the health initiatives taking place in the area. That transport scheme enables local people to go along to such initiatives and be represented, which is absolutely vital.

It is also important to stress that the CRT in Scotland tried to align its priorities with those of the Government. I do not happen to agree with all the priorities of the Scottish National party Government in Scotland—no surprises there—but some of the initiatives that are being taken forward are very important and the CRT has sought to deal with that. It has also sought to engage with the private sector, which has been important—for example, through the midnight leagues, where there have been partnerships with HBOS, Thompsons solicitors and BSkyB. A whole range of things have been taken forward to try to ensure that capacity is built in the local community.

We have heard much today about how the CRT can enable local communities to be involved, but it can also offer match funding, which is important to enable organisations to draw down money from other areas. The CRT has also played a vital role in keeping the needs of coalfield communities alive and on the agenda, as has the Industrial Communities Alliance. That organisation has recently been re-launched in a Scottish context.

We have heard hon. Members say that it is not enough simply to invest money in a patchwork manner; we have to change the policy approach. We have consistently heard about how outcomes for young people in education and health are not as good. That means that central Government have to change how they do things. Under the previous Government, we saw much of that actually happening. In conclusion, I leave the Minister with this question. What can he do to ensure that in every Department across government, the impact of policies is assessed against how we can improve the life outcomes and chances for people in the coalfield community areas? I hope that he will make some reference to that in his winding-up speech.

11.54 am

Yvonne Fovargue (Makerfield) (Lab): I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing the debate, which is dear to my heart. I thought it might be useful to mention some of my personal experience of receiving CRT grants in a previous job at a citizens advice bureau, where we received one of the first grants in the early 1990s. We received £50,000 to provide money advice to people in the community of St Helens and Wigan near my constituency of Makerfield. That money enabled us to demonstrate that the need existed, which we had not been able to do before. It also enabled us eventually to create nine jobs for people as money advisers and secure £500,000 of funding for that valuable work.

In 2008, together with four other citizens advice bureaux and credit unions in Wigan and Makerfield, we received a grant of £250,000. With that money, we dealt with £6 million of debt; but, more importantly, we set up a project with the credit unions to help people who have got jobs to budget. Within the first six months of someone starting a job, budgeting is vital. Studies have shown that people who are assisted with budgeting stay in work and keep their jobs.

In fact, money problems are probably the most prevalent reason for people leaving a job in the first six months because, once someone gets a job, their creditors come back to haunt them. The credit unions provided loans, budgeting advice and set people up for the future. A grant of £250,000 helped at least 350 people in my

community—not to mention people in Cumbria and St Helens. I stress to the Minister that it is very important to continue providing such small grants as they sustain the voluntary sector, promote partnerships and help people in the community through the hard times that I am sure are ahead.

11.57 am

Ian Mearns (Gateshead) (Lab): I did not intend to speak in the debate but, to be honest, it has gripped me. I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing the debate because the subject is vital to communities, particularly those in the north of England and in Wales and Scotland.

I would like to criticise something that the hon. Member for Sherwood (Mr Spencer) said about environmental improvements and not creating jobs. In communities that have the scars of the coalfields within them, environmental improvements are important because they have a positive impact on the mental health and well-being of a community. It is vital that those environmental improvements continue.

Over the years, my constituency of Gateshead—a new constituency, but an old name—has had many collieries within it, but none have closed in the past 30 years or so. The history of mining in Gateshead goes back much before that. Indeed, the founder of the mining union in Durham, Thomas Hepburn, is buried just outside the fringe of my constituency, but still within the borough of Gateshead, at Heworth colliery. He was a real hero in the locality and I am very proud still to be chair of governors at the Thomas Hepburn community school in Gateshead, which is close to the site of the old Heworth colliery and not far away from the old Wardley colliery.

In fact, the angel of the north in the constituency of my hon. Friend the Member for Blaydon (Mr Anderson) is built on an old pit head. We are very much a mining area. Some 300 different mine workings cover the borough of Gateshead. I was joking before with my hon. Friend the Member for Wansbeck (Ian Lavery) that, over the years, his colleagues and union friends have done something deliberate against my community: they have continued to undermine it over the centuries. That is literally true.

I am very pleased to speak on behalf of the CRT and the work that it does. I agree with my hon. Friend the Member for Easington (Grahame M. Morris) about the need for infrastructure development and continuing investment in our economy. I also agree that it is sad that the Government have seen fit to close down the regional development agency, One North East.

A sad fact of life is that it takes many decades for former mining areas to recover from the necessary scars upon which the wealth and sustainability of our nation have been built. Without the continuing support that organisations such as CRT bring to those communities, we are effectively saying to mining communities up and down the country, "Thank you for your endeavour, thank you for powering the industrial revolution, and thank you for keeping the lights on and industry going during two world wars. Now will the last one to leave please turn the lights out."

[JIM DOBBIN *in the Chair*]

12 noon

Ann Clwyd (Cynon Valley) (Lab): I will speak briefly to pay tribute to my hon. Friend the Member for Wigan (Lisa Nandy) for securing the debate and to Mick Clapham, who was a colleague in this place for many years. If there was ever anyone who fought for the mining community, it was him. In every aspect of their lives, Mick Clapham came through. If anyone deserved to be a Minister, it was him, so it was a disgrace that the last Labour Government did not make him a Minister. His work has been excellent. The focus of his review is on England, of course, but I hope that the Government will ask him, either through the Scottish Parliament or the Welsh Assembly, to continue his work and produce similar reviews for those regions. That would be very useful, as many of the problems in my region are precisely the same, although there are some differences.

I have represented a coal mining community for the past 26 years. Having been elected in the middle of a miners' strike, I have seen over the years how the community goes through suffering and regeneration, mainly due to their force of character. My community kept its pit for 10 years after Mrs Thatcher wanted to close it down, because we fought for it. It was difficult at times, but the Tower colliery in my constituency, which she and the last Conservative Government said was uneconomic, proved that they were wrong. Not only was it economic, but it sold coal to countries that the previous coal board failed to sell to. That is an example of the resilience of a mining community. They were ready to stand up and fight for the future of a pit that the Conservative Government wanted to close.

The Minister, who has been in the House for some time, knows the arguments about the many problems that remain in those constituencies, which the review has highlighted. Over the past 10 years, under the Labour Government, unemployment in Cynon Valley has been cut by 50%, which is a considerable achievement. I do not want those people to be thrown on the scrap heap yet again. I appeal to him to ensure that the CRT continues, that it is given the Government's full backing and that Mick Clapham is thanked again for his excellent work over the years. I hope that he will be able to carry out a similar review in Wales and Scotland.

12.3 pm

Mr Eric Illsley (Barnsley Central) (Lab): I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing the debate. I want to make a few brief comments about my constituency, which is the working home of Michael Clapham. I first worked with him back in 1978, when we worked together for the Yorkshire miners union. Many of the problems that colleagues have outlined today also affect Barnsley, which lost 19,000 jobs when the coalfields were closed in the 1990s. We should remember that there was an instant loss of jobs in those communities over a very short period when the coalfields closed.

The CRT was never designed to replace jobs on anything near the scale of those losses, as my hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson) pointed out. It gave small-scale grants to kick-start credit unions and fund citizens advice bureaux. It was never designed to replace jobs, especially on the scale at which we lost them in the 1990s. With those job

[Mr Eric Illsley]

losses came other losses, such as the management courses run through the National Coal Board and British Coal, which enabled young people to graduate through colleges and improve their employment prospects. In addition to education, there was the social side, as the Coal Industry Social Welfare Organisation ran sports and social welfare programmes. That was all lost over a short space of time. It was practically impossible to replace those jobs. No Government since have managed to replace the jobs that were lost in those communities on such a scale.

I have been present when some of those awards have been made in my constituency, such as the Dorothy Hyman stadium, which provided an Olympic-standard running track for local athletes, some of whom have gone on to compete in the Olympic games. There is also riding for the disabled, which would otherwise not be funded because the money is not available in the community. There is the Disabled Information Advice Line, which enables one or two key workers to provide a service to the local community.

Sadly, we are again facing such job losses as a result of the comprehensive spending review. We must remember that in Wales, the north-east, south Yorkshire and perhaps in Nottinghamshire, coal was the dominant industry, to the exclusion of other industries. Private industry did not want to compete for the labour force that was already employed in mining, where there were lots of jobs, career structures and so on. The private sector, as a result, did not come into the region, other than in Coventry, where there was the motor vehicle industry alongside the coal industry. We did not have that luxury in south Yorkshire, in Durham or, to some extent, in Nottinghamshire. When we lost the coal mining industry, there was nothing to fall back on, and nothing else has come into the area to replace those jobs.

That explains our reliance on the public sector. The CSR announced 490,000 job losses in the public sector, and obviously the impact will be felt far more in coalfield communities than in other areas. We cannot escape that. That makes the CSR all the worse for our area. It is essential that the CRT programme, small though it is, be retained and, if possible, expanded. As my right hon. Friend the Member for Cynon Valley (Ann Clwyd) suggested, further research should be done on the benefits that the trust has brought, because in my area they are worth while and must be retained.

12.7 pm

Barbara Keeley (Worsley and Eccles South) (Lab): It is a pleasure to serve under your chairmanship, Mr Dobbin. I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing the debate, which has been excellent—I counted 16 Members who have spoken. I join my right hon. Friend the Member for Cynon Valley (Ann Clwyd) and my hon. Friend the Member for Barnsley Central (Mr Illsley) in congratulating Michael Clapham on the work he has done.

In the last Parliament, my constituency contained many former coalfield wards. The last remaining winding gear in Lancashire is in Astley, and it is a strong and visible reminder of our area's mining heritage. Following boundary changes, I no longer represent the former coalfield areas in Wigan borough, but I still have the ward of Little Hulton, which is a former coalfield ward and still has open-cast coal mining at the adjacent Cutacre site.

The Labour Government set up the CRT in 1999. The coalfields task force had noted that coalfield areas had

> "a unique combination of concentrated joblessness, physical isolation, poor infrastructure and severe health problems."

I saw those same problems on the Higher Folds estates in my former constituency. Higher Folds is in some ways typical of those areas. It is an isolated estate accessible via a single road, and it is remote from commercial centres such as Leigh and Tyldesley. Part of the estate was ranked within the 5% most disadvantaged communities in the country. For many years, its 3,000 residents suffered from high levels of worklessness, low educational achievement and low incomes. The closure of the pits had left that community with few jobs and poor infrastructure. In fact, the CRT singled out Higher Folds as an area where extra funding and support was needed.

The trust found many barriers to local people gaining employment, ranging from a lack of affordable child care to low confidence and skill levels in jobseekers, which are important factors. Its work included setting up a youth project on the estate and a plan to reduce worklessness from more than 30% to less than 20%. The trust plans to improve the community centre and put it at the heart of the community, and to develop new activities, including more child care.

The trust praised the sense of pride and community spirit that it found on Higher Folds, but community spirit is not enough. Without funding and support to get projects off the ground, the community could have achieved little change. One group that developed because of early support and funding was the Agape family support group. It was able to recruit more volunteers due to a grant from the trust, and to use the refurbished community centre. In 2006, one of the group's co-ordinators stated:

> "The group can't exist without funding as we need to subsidise our costs for the services we provide. The CRT grant has provided funding to cover our running costs...and now that the new centre is open we are hoping to build up a busy programme and a growing band of volunteers to help out."

That group now runs a pre-school group for the estate, and the community centre has a Sure Start children's centre, so we have tackled the child care problem which was one of the barriers to local people getting work.

Community support and activism are vital for regeneration, but does the Minister recognise that they are no substitute for adequate levels of funding and support from the Government via organisations such as the CRT? Does he agree that, without adequate funding, we will not continue to see the work to remove barriers to employment that is needed on estates such as Higher Folds? The progress that has been made in many coalfield communities could be derailed. Can he tell us how that level of support can be achieved in the context of the reductions to budgets for his Department and local authorities over the coming months and years?

The Clapham review of coalfields regeneration found a marked improvement in the state of the coalfields today compared with a decade ago, but found that there is a long way to go. As we have heard in this debate, pressing challenges remain. Coalfield areas have greater

overall and employment deprivation than average. They tend to be more isolated, they have fewer businesses than the national average, they have 25% fewer jobs per resident than non-coalfield areas, and they have more young people not in education, training or employment than the national average. As many Members have said, coalfield areas have a higher than average mortality rate, with the health of the older generations affected by their former work, and that of younger people affected by poor employment opportunities and low expectations.

The Clapham review called for local authorities to be given a more active role in the regeneration of our former coalfield areas and in dealing with those difficult and challenging issues. In welcoming the report, the Minister for Housing and Local Government said that it was crucial that former mining areas continue to get the support they need, and that there is more to be done to help former mining communities where there are ingrained social and economic problems. As my hon. Friend the Member for Wigan said, he also said that local authorities working with local people know best what the particular needs are in each area.

However, there is a danger that local authorities will be asked to take on responsibility for programmes without adequate funding to make a real difference. Michael Clapham's report said that the Government should not leave it to local authorities to make up for reductions in Government programmes, and that coalfield regeneration funding should remain additional to local authority allocations. In the context of cuts of 28% in local authority budgets over the next four years, that is all the more important.

Does the Minister agree with the Clapham review's recommendation that coalfield regeneration funding must remain additional to other funding, and that local authorities should not be left to make up for cuts to the three national coalfield regeneration programmes? Indeed, will he commit now to an oral statement from the Government when they respond to the Clapham review?

Last week, the Government announced the most severe cuts to public spending since before the second world war. The cuts will lead to almost 500,000 job losses in the public sector, and PricewaterhouseCoopers has estimated that a further 500,000 jobs will be lost from the private sector. That loss of employment will not be spread evenly but will hit some communities harder than others. We heard today from many Members how they fear the cuts will hit their constituencies. Indeed, a report by the Institute for Public Policy Research said that many city regions outside the south-east of England were likely to suffer disproportionately from public spending cuts because public sector jobs are a greater proportion of the employment in those areas. My hon. Friend the Member for Wansbeck (Ian Lavery) gave statistics to show that that is the case in his constituency.

Furthermore, the most vulnerable groups in our communities are likely to suffer the most from the cuts. Figures from the TUC show that the poorest one tenth of households are set to lose income and services equivalent to 20.3% of their household income by 2013, compared with just 1.5% for the richest one tenth of households. As I said earlier, it is former coalfield areas such as the Higher Folds estate that contain the poorest one tenth of households.

The Clapham report states that after the collapse of the collieries in the 1980s, despite the best efforts of central Government working with local authorities and communities,

"it became clear that more substantial intervention would be required to turn these communities around."

As we heard in many speeches today, the coalfields regeneration programmes have had success because of central Government funding and partnership working between local authorities and local community organisations. The Government are putting that at risk because cuts to local authority budgets are likely to impact on both partnership working and the survival of local voluntary and community organisations. Given the scale and speed of the expected new job losses, we will find that many communities left reeling from the cuts will need active intervention to recover.

The Government must develop a plan for recovery in our local communities that involves more than saying to CBI members, "Over to you to create new jobs." The private sector does not have a track record since the 1980s of moving into isolated coalfield areas and intervening to create businesses and jobs there. It took support, funding and partnerships to make improvements, as it will in the future.

We await the Government's response to the Clapham review and their explanation of how regeneration programmes in coalfield areas can continue to tackle the many challenges outlined in this debate. We urge the Minister to confirm that those important announcements will be made, as they should be, in an oral statement to the House.

2.16 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is a pleasure to serve under your chairmanship, Mr Dobbin, as it was to serve under Mr Bone before you. It is good to have a debate that is so well supported by Members who have passion for, and knowledge about, a subject. Twenty Members were present, and the vast majority of them contributed. I know that it is not the form to say such things, but I was delighted that Michael Clapham was able to be present throughout to listen to the debate. I want to say how much the Government appreciate the work that he did on his report, which was commissioned by the former Government and which we have been happy to receive.

I also want to thank the hon. Member for Wigan (Lisa Nandy) for giving the House the opportunity to discuss the matter, and for her reasoned presentation of the case. She is a new Member, but I am sure that she will quickly become established as a champion of Wigan, the miners and the mining community that she represents.

The hon. Lady and the hon. Member for Worsley and Eccles South (Barbara Keeley) asked me to undertake to give an oral statement. Such matters are not at all at my pay grade, but I shall ensure that the point is passed on. We do not in any way underestimate the importance of ensuring that the House is well informed about progress on the subject.

I want as far as possible not to get drawn into the broader macro-economic issues, because that would not be a good use of our time at this point, but I would not want the case to go by default. As a result of the

[Andrew Stunell]

spending pattern that this Government inherited from the previous Government, we have, during this debate, borrowed another £24 million, and will borrow an extra £150 billion by the end of the year. That is the background to the position in which we find ourselves, and which, of course, underpins the more local concerns of many who have spoken in the debate.

On 19 July, I was happy to respond to an Adjournment debate on precisely this topic. I say to the hon. Member for Wigan, whom I do not think was able to attend July's debate, that the Government, now as then, remain supportive of the continuing need for land-based remediation, strongly support the important community-led regeneration projects, and remain committed to helping people and communities to work together to tackle local problems and support local enterprise, particularly in the former coalfields.

That previous debate centred around, or at least took very much into consideration, the report of the Public Accounts Committee. I say this very gently, because I am extremely supportive of the points that hon. Members have made, but there have been problems delivering the programme. It is a little bit like the young man at the casino who sends a text message saying, "System working well. Send more money." We have heard that the output has not been the jobs that are needed, and we need to look hard at that. From that point of view, the review of coalfields regeneration by Michael Clapham is an outstandingly useful contribution to forming our view about what should happen next.

I have met Michael Clapham and other members of the all-party coalfield communities group since July's debate. We agreed to meet again in January next year, because then, knowing the outcome of the comprehensive spending review, we would be in a position to consider Michael Clapham's report and the allocation of departmental funding. I hope that we can proceed on that timetable.

I do not want to use up my time by rehearsing the report's contents, but it clearly identifies problems on the ground and issues to do with delivery and contains some recommendations for the way ahead. Hon. Members have mentioned different parts of the report.

Barbara Keeley: A great deal has been said in this debate, including by me, about the difficulties with funding from local authorities, and about the possible loss of voluntary organisations. We heard about the impact in Makerfield of the work of the citizens advice bureaux. Given the timetable that the Minister mentioned, will he say whether a watching brief can be kept to ensure that we do not, in the period till January, lose any of the vital voluntary and community organisations that underpin and hold together the work in coalfield communities?

Andrew Stunell: I would not want the January meeting to be regarded as the earliest time at which it is possible for us to make an announcement. I take account of what the hon. Lady says. I would share her concerns if delay in making an announcement led to problems that could otherwise be avoided. I hope that I may, in my last 30 seconds, add something that will help her in at least one respect.

The Government welcome the Clapham report and agree that, often, local authorities working with local people know best what the particular needs are in their area. This Government's strong, consistent message is that it is the people in a locality or neighbourhood who most often appreciate what the problems are and what the potential solutions might be, rather than people located more remotely, particularly in Whitehall.

The Government are keen to drive forward coalfields regeneration. We believe that a bottom-up, community-focused approach should be central to the next phase of coalfields regeneration. We are carefully considering the recommendations and hope to respond formally in November. As agreed, the full published report is already on the Department for Communities and Local Government website. For some reason, there was serious concern in July that we would keep it secret. We have no intention of doing that.

Hon. Members know that the spending review has been challenging. Over the next four years, DCLG's overall resource will reduce by 33%, with capital spending reduced by 74%. Alongside this, we are devolving more than £7.6 billion directly to local government to set its own priorities. We are giving more flexibility to local government. We are delivering 150,000 new affordable homes and protecting the Supporting People programme, importing an extra £1 billion into it from the NHS. We are investing £1.7 billion in regeneration and local economic development over the next four years.

One or two hon. Members mentioned young people's capacity and ambition, and opportunities for them. The introduction of the pupil premium will be a significant step forward that will help young people in communities such as the ones that we are talking about.

Joan Walley: My concern, which I raised earlier, is that the coalfields programme is about more than the Coalfields Regeneration Trust; it is about the national coalfield programme per se, including the part delivered by the Homes and Communities Agency. Given what the Minister has just said about the pupil premium being used to help people in deprived areas to get more, is he considering cross-cutting these issues so that coalfield communities, which suffer worse and have most deprivation, can be prioritised in respect of funding from the education and DCLG budgets, and all the budgets that will be working towards creating jobs? If jobs are not created in coalfield communities, we will have no hope whatsoever for the future.

Andrew Stunell: I shall correct one detail: the pupil premium is intended to support disadvantaged children, whatever community they live in, rather than disadvantaged communities. In her main point, the hon. Lady describes exactly what the Government are doing. We are working hard to have community-based budgeting that draws together funding from all the different public sources and allows priorities to be set locally to deliver what is needed, without the necessity for everybody to operate in silos. I hope that the hon. Lady will see the benefits of that. We have established 16 pilot areas for this year and will be rolling that process forward rapidly over the next couple of years.

We have increased the regional growth fund from the original £1 billion that was announced to £1.4 billion, and have extended the life of the fund from two years to three years. I hope that that gives some comfort to those who are concerned about the issue.

On the regional development agencies, two bids have been presented to the Government for local enterprise partnerships for the north-east. Announcements will be made in due course. There could have been only one local enterprise partnership covering the whole north-east, had those involved wished to do that. On the future of coalfields regeneration, I provided assurances during the debate in July that we had no plans to dismantle the programme. The Minister for Housing and Local Government has already said, in response to the report on the review of coalfields regeneration, that it is crucial that former mining areas continue to get the support that they need.

Barbara Keeley: Will the Minister say whether that support includes additional funding? That goes back to the question that I asked about whether areas will retain funding.

Andrew Stunell: We intend to provide the support needed to enable the contractually committed, physical regeneration projects in the Homes and Communities Agency national coalfields programme to come to fruition. However, the settlement has been challenging. Difficult choices still need to be made about the way ahead. We will consider the case for the continuation of dedicated funding for coalfield areas in light of the Clapham report, and we intend to make an announcement on that in the next month.

Ann Clwyd: Will the Minister investigate ways to ask Mick Clapham to do a similar review in Wales and Scotland? That would be valuable.

Andrew Stunell: I will pass the right hon. Lady's request on to the relevant person. However, DCLG deals only with England, so it is not within my competence to decide that.

I thank all hon. Members for the enthusiasm and passion with which they have brought this cause to my attention and the Government. I hope that we will be able to give them some satisfaction in the near future.

Natural England

12.30 pm

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): I am delighted to have secured this short debate on Natural England. It is a timely debate, because we are in the final week of October when spirits walk and ghouls are said to come alive. I do not wish to terrify hon. Members; on the contrary, I want to put backbone into the Government's efforts to take the frightening, supernatural bits from the subject of this debate. There is nothing natural about Natural England. From the word go it was a cumbersome creature, cobbled together in haste after the foot and mouth disease crisis—a natural marriage of convenience between well-established organisations such as the Countryside Agency, the Forestry Commission and Natural England. Dr Frankenstein would have been proud of it.

Bodies that have been stitched together in a hurry tend to fall to pieces. With Natural England one does not have to look far to find the evidence. It attracts hostile headlines and real anger among many rural communities, including mine. Natural England has become the ultimate Hallowe'en monster. My hon. Friend the Minister will require a lot more than a pumpkin and a candle to show who is in charge of this lot.

Natural England now operates in a way that is deliberately designed to send shivers up the spine. Five years ago that zombie was let loose and allowed to take control of many sensitive environmental issues. Since then, it has trampled all over common sense. Natural England cares more about weeds than the welfare of country folk. It believes that butterflies and bats come before real live people. It is a feared organisation because it has been given enormous power without any proper control or accountability. I shall give three examples.

First, on Exmoor, which has been in the news this morning, there is an ancient stretch of common land at Withypool. Local farmers have spent generations learning to understand it and to look after it, but Natural England thinks it knows better. It always thinks it knows better, and it often has the last laugh, because the wretched quango also holds the purse strings. Did you know, Mr Dobbin, that Natural England is in charge of distributing around £400 million a year in European agriculture grants? At Withypool, the zombie is trying to blackmail my constituents. Natural England wants more cattle to graze on the common, and has put on the frighteners. To obtain higher level environmental stewardship scheme money, farmers have had to do precisely what Natural England wants. It wants 48 cows to graze a bit of land that would barely support half that number. For generations, Withypool common has been known as a sheep common, and in 1950, there were more than 2,000 sheep on the hill. What has Natural England got against sheep? Keeping sheep is about the only way for a young person to start in hill farming in my patch.

Why does Natural England not leave such decisions to farmers? It wants to dictate the precise dimensions for fence posts, which is bureaucracy gone mad. The purpose of the stewardship scheme is beyond question. We all want our precious land to be properly protected for future generations, but Natural England should not be allowed to roll into places such as Withypool and

[Mr Ian Liddell-Grainger]

force farmers to adopt entirely pointless rules. It has become a Stalinist organisation, and uses scare tactics and threats to get its way.

My second example has a happier ending, but is also an object lesson about blinkered bullying. Natural England decided that it wanted to protect a supposedly rare species of butterfly on Grabbist hill, which overlooks Minehead. Do not get me wrong, Mr Dobbin. I like butterflies, as do the people of Minehead and the town council, but the whole town council began to see red when Natural England turned up and started throwing its weight around. It wanted the council to put up 9 miles of fencing and to put cows all over the area to churn it up. People in open-toed sandals and overdue haircuts arrived with a long list of absurd demands. The council took one look and told them, politely, to pack their butterfly nets and back off. Goose-stepping quangos in open-toed sandals do not win friends in my neck of the woods, nor will they ever.

That raises the question: what on earth is Natural England for? This is what it says it is for:

"We provide practical advice, grounded in science, on how best to safeguard England's natural wealth for the benefit of everyone."

The trouble is that it does not just provide practical advice. It has got it into its head that it is in charge. It even makes policies and tries to implement them, but I thought that that was the Government's role. Natural England has a complete manifesto with 24 policy documents on everything, including access to the countryside, biotechnology, common agricultural policy reform, ports, transport, housing, wave power and wind energy. The list goes on, but I will not bore hon. Members.

Natural England is extremely partial to wind turbines. Dr Helen Phillips, Natural England's chief executive, believes that we should plonk them in our national parks. This is what she said:

"We have to move from knee-jerk nimbyism to an informed consensus that there are landscapes where sustainable renewable energy infrastructure is desirable and should be encouraged".

I must apologise on behalf of all quango bosses, who suffer from a common problem. They are utterly unable to speak intelligible English, partly because most of them are detached from the real world. In Dr Helen Phillips's case that may also be because she is Welsh. I have nothing against the Welsh—I am a Scot—but after all these years, Dr Phillips has been playing Myfanwy to her favourite character from the valleys—Dai, Boyo Dai, Boyo Dai Versity. This year, 2010, is the year of Boyo Dai Versity, and everything that Dr Phillips and her quango do must be approved by Boyo's exacting standards. Her word is law, and what he says matters. I am sure, Mr Dobbin, that you were wondering how I would get round to this, but she has the only say in the village.

Biodiversity is a slippery word. In the dictionary it translates as "life on earth". None of us objects to that, but some scientists have reinterpreted the word. It has become a religion, a cause and an excuse for changing anything and everything in the name of preserving life. Dr Phillips has allowed it to mean whatever she wants it to mean. That is what can happen when quangos are let out. They lose a sense of proportion. In addition—if I dare say this in this world of austerity—they are paid over the odds. Dr Phillips receives £144,000 a year, and six of her senior management team receive more than £80,000 a year. They have offices all over the country and around 2,000 staff to boss about. No wonder they have fooled themselves into thinking that they rule the world. Natural England has become far too big for Dr Phillips's elegant, stiletto-heeled boots.

I promised the Chamber three examples of Natural England's muddle-headed actions. The third is all about flooding. Some of my constituency is on very low-lying land, which sometimes fills with water. Over the centuries, Somerset has learned to live with the problem and has discovered how to tame some of the incoming tides. But Natural England and its partner in crime, the Environment Agency, have a different agenda. They want to give a bit of my constituency back to the sea. Their argument goes like this: if it already floods, it is time to let it drown. Is that their policy? I do not know.

Our old friend Boyo Dai Versity must have been whispering in Dr Helen Phillips's ear again. Natural England would like the tide on the south side of Steart point in my constituency, at the mouth of the river Parrett, to come in once and for all. It dreams of a brand new habitat for feathered friends such as the buff-breasted sandpiper and the long-billed dowitcher. But the project is not completely green. Natural England would have to spend £28 million of our money—our money—digging out that habitat. That is the sort of money that this nation should not and must not afford. Unfortunately, it is the sort of silly money that Natural England regards as chicken feed.

Natural England has a reputation for operating like the mediaeval church. It threatens damnation and doom if things are not done in precisely its way. Two years ago, Natural England came up with a plan to wipe out six villages, hundreds of homes and thousands of acres of farmland in Norfolk. It wanted to allow the sea to breach 15 miles of the Norfolk coast and to flood low-lying land to create a new bay. That would have destroyed the villages of Eccles, Sea Palling, Waxham, Horsey, Hickling and Potter Heigham. That was just to satisfy a misinterpretation of the meaning of that wretched word biodiversity. No wonder Natural England is unpopular. In fact, the bosses were unpopular more or less from the day that they started.

An internal survey conducted one year after Natural England was formed condemned senior management for a lack of leadership. It is an organisation in which low morale has become the norm and where employees feel insecure and few seem to have any pride in what they do. That is hardly surprising because often what they do is upset people for no good reason.

Take fluffy rabbits. Cuddly? Yes, and they breed like crazy. They gobble their way through crops if they are not kept under control—as a farmer, my hon. Friend the Minister will know that more than most. Natural England has enraged landowners and farmers by helping to scrap legislation. Under the Agriculture Act 1947 and the Pests Act 1954, all landowners had a duty to keep down rabbit numbers on their property to protect crops, and rightly so. If their neighbour failed to do that, aggrieved farmers could apply to Natural England for a notice ordering a bunny hunt. Great. Natural England decided to get rid of that rule and, as one can imagine, rural organisations were furious. Who is in

charge of that? Dr Phillips and her great friend, Mr Boyo Dai Versity, are now regarded as loony bunny huggers. That is not a great accolade.

Last year, the Public Accounts Committee produced a damning report on Natural England's management of sites of special scientific interest, and it was found guilty of using outdated information and keeping incomplete records. The Committee criticised the organisation for failing to take enforcement action and highlighted financial mismanagement. If those were one-off isolated cases, perhaps we could forgive them, but attacks on Natural England come from all quarters and are still coming.

Did Natural England—I say this advisedly—tell lies when Lyme bay was declared out of bounds for fishing? The marine protected areas fishing coalition believes that it did and that Natural England may have twisted the facts and used false science to justify its actions. That is a serious charge to lay against any organisation where a lot of the senior managers are trained scientists. However, something has been done about the situation. In future—I thank the Minister—Natural England will play no role in the design, implementation or enforcement of marine conservation zones. The fishing coalition also identified the real problem with Natural England, which is that sometimes it advises the Government, and sometimes it pretends that it is the Government.

As the election approached and the prospect of a new Government loomed, there were signs that Natural England was beginning to get the message. It was a bit late, but better late than never. Dr Phillips came up with a super-duper idea that she thought was new, original and ground-breaking thinking. Why not open Natural England's books and let its partners, the Environment Agency, the Forestry Commission and the national parks, tell her what was going wrong? In other words, Dr Phillips decided to listen. Hallelujah! It was not a particularly original idea, but I must commend her for doing so. However, I wonder whether it was necessary to hire a firm of expensive consultants to arrange all the meetings. All they did was sit together in a room and discuss how to co-operate. Apparently, it was the first time that they had ever done so.

It never occurred to Natural England to talk openly to its partners, and it came as a surprise to learn what its partners actually thought. It should have been an obvious thing to do, but it required an element of fear to get everybody around the same table. Natural England was scared of what a new Government might do—rightly so with my hon. Friend as the Minister. It decided to do what it should have done years ago and talked. It was simple. Natural England had been living in a bubble for far too long and it had begun to trust its own propaganda. It thought that it could walk on water like a former Prime Minister, but it cannot and should not. If it tried, I sincerely hope that the Minister would try and prevent it. Significant change is long overdue. We cannot afford another wasteful duplication of different agencies. We should not tolerate inefficiency, never mind pomposity. It is certainly not Natural England's job to preach—that is ours.

If Natural England is serious about getting its house in order, it must do certain things. First, it must dramatically reduce back-office costs. Secondly, it must work more closely and openly with all other partners and bodies. Thirdly, it must prove to the Government, hon. Members and the public that its thinking has changed. Fourthly, it must stop doing things that the Government do not need—let the Government govern, not Natural England. Above all, it must stop making policy and lobbying. That is not its job. It must carry out the policy of Government, not make it.

On 30 November, the chairman of Natural England is due to make a keynote speech about the future of land management at a special conference of the Royal Agricultural Society—the Minister may be there. I sincerely hope that by then the chairman will know what he is meant to be talking about, but I am afraid that we must ask: what if he does not know?

12.45 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I welcome the opportunity to say a few words about Natural England, and it is appropriate for us to have this debate a week after the public spending review. I welcome and congratulate my hon. Friend the Member for Bridgwater and West Somerset (Mr Liddell-Grainger) on obtaining this short debate; it has allowed him to practise his rhetoric, to which we are all well accustomed.

I would like to go back to the origins of Natural England and emphasise that its setting-up had full cross-party support. Unsurprisingly, I was Opposition spokesperson at the time, and I can recall the debates on the legislation in Committee. We did not support all the fine detail of the provisions, but the overall idea of setting up the body received cross-party support. The idea was to bring together a number of activities that were synonymous and complementary to a degree, and that carried a risk of duplication.

Let me elaborate a little on the role of Natural England. It is the Government's statutory adviser on landscape, biodiversity and the natural environment. Previously, that function was largely carried out by English Nature. Natural England will continue to carry out a range of important functions that support and contribute to all three key priorities outlined in the structural reform plan published by the Department for Environment, Food and Rural Affairs in July. Those are: to support British farming and encourage sustainable food production; to enhance the environment and biodiversity to improve quality of life; and to support a strong and sustainable green economy that is resilient to climate change.

Natural England's role in delivering for DEFRA on the landscape, biodiversity and the natural environment includes, as my hon. Friend has said, managing the stewardship and green farming schemes that come under the rural development programme for England. It also includes reducing the decline of biodiversity and managing the licensing of protected species across England; designating national parks and areas of outstanding natural beauty; and notifying sites of special scientific interest, as was mentioned by my hon. Friend.

The Government's response to the Public Accounts Committee report, to which my hon. Friend referred, stated clearly that a fair criticism had been made at the time, but that the world had moved on. Natural England had addressed those issues, and by the end of March 2009 it had successfully completed the programme to develop conservation objectives for all SSSIs. Criticism was fair at the time, but it is now out of date.

[Mr James Paice]

Natural England also works for the Government in making recommendations to DEFRA on the designation of sites, such as special areas of conservation under the EU habitats directive, and special protection areas under the EU birds directive. It acts as a statutory consultee to competent authorities that are considering proposals for plans, projects or other developments that might affect biodiversity. It provides conservation advice on the selection of marine protected areas, and monitors progress towards the achievement of conservation objectives for those designated sites, thereby contributing to the development of proposals for marine conservation zones.

Natural England is required to work with farmers and land managers. One of the points on which the then Opposition challenged the Government during the stages of the Bill to set up Natural England was ensuring that the organisation worked with those who relied on the land for their living. The Government of the day did not really accept that, and I remember that some amendments we proposed were rejected. Nevertheless, we feel strongly that Natural England must work with farmers, land managers, business, industry, planners, developers and everybody involved in improving the environment. That is a bit of the history.

Let me now bring hon. Members up to speed with where we are under the new coalition Government. We are working with Natural England to implement a radical and comprehensive package of measures to transform it—I am sure my hon. Friend will welcome that—into a much leaner, more efficient delivery body, focused strongly on our ambitions for the natural environment. Significant changes across the organisation will create a new delivery model that is more effective and cost-efficient in delivering on those objectives. For a start, as my hon. Friend requested, Natural England will dramatically reduce its back-office costs, while keeping to a minimum any reduction in delivery. It will work much more closely with the other arm's length bodies to eliminate any duplication in work.

Martin Vickers (Cleethorpes) (Con): My hon. Friend the Minister mentioned a significant reduction in backroom costs. The total staff costs for this year for Natural England are £96,460,000. Can he give an assurance that there will be a dramatic reduction in that figure?

Mr Paice: Yes, I can. I cannot put a precise figure on it, because we are still working through the implications of last week's announcement for all our arm's length bodies, but we have made no secret of the fact that all of them will have to carry their fair share of the 33% reduction in DEFRA administration costs, which applies right across the DEFRA family. I can give my hon. Friend that assurance.

Natural England will be required to work much more closely with arm's length bodies to eliminate any duplication in work and to focus the collective resources available on delivering on the priorities. One matter on which we are working hard is ensuring that Natural England works much more closely not just with arm's length bodies, but with the many non-governmental organisations in the field of conservation and biodiversity, many of which have very competent advisers on the ground with the credibility and experience to work closely with farmers and land managers. We want Natural England to involve them much more in delivery. We also want to see the demonstrable culture change to which my hon. Friend the Member for Bridgwater and West Somerset referred, and innovative ways of working that embrace the Government's objectives of localism, the big society and improved customer focus.

Natural England is considering the options for improving the management of our national nature reserves in a way that is more consistent with our big society ambitions while ensuring continued environmental protection, and the options for sharing sponsorship of areas of outstanding natural beauty with DEFRA, cementing the accountability with Ministers—an issue to which my hon. Friend also referred.

I can assure my hon. Friend that we have made it clear that there must be an end to any policy-making and lobbying activities. We cannot have the situation that we had in the last Parliament, in which Natural England was lobbying for amendments to legislation using taxpayers' money. That will stop.

We are working with Natural England to minimise any impact on the Government's natural environment objectives. Despite the pressures on public expenditure, Natural England will become much more effective in contributing to the biodiversity objectives, not only through its own functions but because it needs better to engage with and support the important contributions made by civil society bodies, local communities, businesses, farmers and so on.

As a result, Natural England is considering a number of ideas to involve civil society partners in all aspects of its work—delivery on nature reserves, volunteering, access and ensuring continued environmental protection. It is committed to developing a much stronger focus on integrating the engagement of civil society in the delivery of Natural England's duties and on looking for further opportunities. It already has a number of partnerships with big society organisations—for instance, in its work to co-ordinate the input of those bodies into the England biodiversity group on behalf of DEFRA—and it needs to do more.

My hon. Friend rightly paid attention to environmental stewardship. That plays a pivotal role in delivering on DEFRA's priority of enhancing the environment and biodiversity to improve the quality of life. Last week's spending announcement made that clear, with an increase in the money available for higher-level stewardship schemes. DEFRA and Natural England are already working with farming and environmental partners to improve the effectiveness of stewardship, including through such initiatives as the campaign for the farmed environment. That was launched under the previous Government, partly as a result of pressure from the then Opposition, because we made it clear that we would not support an increase in statutory set-aside; we wanted a voluntary approach. That is working very successfully, but more effort needs to be made. There is considerable scope for more work with various outside partners and, again, we are making that clear to Natural England.

Higher-level stewardship funding, which delivers significant benefits for biodiversity—everyone recognises that it is the most effective scheme—will increase by 83%, compared with this year, by 2013-14. I have to

accept that the rate of growth is slightly slower than would otherwise have been the case. Nevertheless, it is growth, which should be welcomed.

Entry-level stewardship remains open to all farmers, but our aim must be to seek improvements wherever we can. We aim to improve the targeting and focus of entry-level stewardship agreements, because we want better outcomes and to concentrate a little of the effort on achieving specific outcomes. That will provide a large-scale uplift in their environmental value. Of course, we must take account of the Government response to the Lawton report as we do all this.

I am well aware of the criticisms of Natural England. My hon. Friend made a number of them. He has made them in the past, as have many others. Indeed, I have made them myself in the past, and will continue to do so if I do not believe that it is achieving its objectives. However, against the targets set by the previous Government, it has performed well. We can argue about whether the targets were right, but it did achieve what it was told to do. However, there is no doubt in my mind that under the previous Government and the previous leadership, Natural England allowed itself to expand and develop into areas that it should not have got into. My hon. Friend referred to the present chairman of Natural England, Poul Christensen, whom I believe is very cognisant of the fact that it needs to look again at what it is doing and to be reined back to its key functions. I am quite confident that he will do that.

Whatever Natural England has achieved, it cannot go on working in the same way because of all the pressures to which I have referred, and the concern about its direction. It must maximise its effectiveness against the background of a reducing budget—a fact to which I referred. Therefore, although we have decided that Natural England should be retained as a public body, neither the public nor Natural England should be complacent or rest on their laurels. It must be substantially reformed through a structural process and through cultural change to become a much more efficient and customer-focused organisation with clarified accountabilities.

By the time we publish next year's White Paper on the natural environment—probably in April or thereabouts—which will be an important step forward in the coalition's commitment to the environment, Natural England will be in a much better position and will have a better arrangement with which to deliver on the objectives that we set out in the White Paper. I am grateful to my hon. Friend for allowing me to put on the record how we see Natural England developing over the next few months and the way in which it will continue to play a vital but, we hope, more focused and targeted role in delivering on the Government's objectives.

Missing Persons

12.58 pm

Ann Coffey (Stockport) (Lab): I welcome you to the Chair, Mr Dobbin. Every year, an astonishing 250,000 people in the UK are reported missing to the police, and two thirds of those are under the age of 18. Occasionally, the country can be overwhelmed by public anxiety when faced with awful child abduction cases, such as that of Madeleine McCann, but we remain unaware of the vast majority of cases. I shall talk today about some of the key aspects of the missing persons phenomenon and the problems that families face when their loved ones go missing. I shall also highlight the current risk of closure to both the UK Missing Persons Bureau and the charity Missing People—two agencies that work hand in hand to help missing people and the devastated families they leave behind.

First, let us consider the scale of the challenge. Three quarters of the disappearances reported to the police are resolved in two days, but a significant minority—about 20,000—last longer than a week and 2,500 last in excess of a year. Adults are more likely to remain missing for longer periods than young people, and the National Policing Improvement Agency recently revealed that about 940 bodies found in the UK over the past 50 years remain unidentified. In the region of 10 new cases of unidentified bodies are registered with the Missing Persons Bureau each month.

About 100,000 children aged under 16 run away each year, and 20% will be at high risk of being hurt or harmed. They might sleep rough or stay with someone they have just met. Research suggests that they are at serious risk, exposed to violence, criminality, substance abuse, sexual exploitation and trafficking. Other missing people are adults fleeing dysfunctional relationships or experiencing problems at work, or who have become detached from their families through drug and alcohol use and mental health problems. A smaller proportion of disappearances—still a significant number—result from a person going missing unintentionally. Examples include dementia sufferers becoming lost, or people having accidents or becoming victims of abduction and serious crime.

It is estimated that more than 1,000 missing people, including about 50 children, are found dead each year. These include people who take their own lives, who have an accident, who become lost and die of exposure, and who are victims of crime. The problem is far more widespread than most people would ever imagine.

As a local MP and the chair of the all-party parliamentary group on runaway and missing children and adults, I was interested in a recent exercise by Greater Manchester police. They tweeted every incident in which they were involved for 24 hours. In that short space of time, there were 127 calls relating to missing people, including five relating to missing children in my constituency of Stockport alone. That is a lot of people and a lot of anguish. The cases in my area included a 10-year-old boy, two 14-year-olds and one 15-year-old.

Families of missing people can suffer severe emotional problems, as well as significant financial, legal and practical difficulties. At the moment, the police, the Missing Persons Bureau and Missing People work closely together, dovetailing effectively to protect runaways and

[Ann Coffey]

the devastated families left behind. Yet, as it stands, the very core of the front-line missing persons services is under threat. We face the prospect that, with a single blow, the entire national investment into missing persons could be ended.

As I speak, the closure of the National Policing Improvement Agency places the existence of the Missing Persons Bureau, which is the only UK agency focused exclusively on missing people, under the threat of total closure. The bureau alone possesses the national records for unidentified bodies and helps the police with missing persons investigations up and down the country. It is the UK national and international point of contact for all missing persons and unidentified body cases.

Also, the charity Missing People—which works closely with the police and the bureau, providing a unique service supporting families—is facing the total withdrawal from 1 April of its core Government funding of £500,000, made up of £150,000 from the Department for Education for a runaway helpline and £350,000 from the NPIA. Such a withdrawal will inevitably place the charity, which already works incredibly hard to raise 75% of its funding, at risk.

I want to argue that, instead of removing the missing persons infrastructure, we must maintain investment and underpin it with new legislation which supports existing services and does much-needed filling in of gaps. Britain lags behind the United States, and other European nations, regarding legislation. We simply do not have legislation to protect missing children and adults. At present, if someone's house is burgled they are automatically offered emotional, practical and legal support; however, if their child goes missing they may get nothing, although they are surely a victim.

To illustrate the scale of the problem and the damage that might be done if we remove the missing persons support provided by the bureau and Missing People, I want to outline the work they do in providing support to families. Each month, the bureau supports an average of 500 cases and conducts some 100 cross-matched searches, while receiving 800 records of missing people. At present, the remains of 940 people have still to be identified; yet that important cross-matching work might cease if non-crime-related services are cut. The vast majority of those bodies represent a devastated family waiting for closure and answers. The matching must continue, so that families no longer have to wait for years for news of their relatives, only to find that they were buried in an unmarked grave or were on the coroner's slab all along.

Last year, the charity Missing People took 114,000 desperate calls for help. In the past six months alone it has produced 275 of its iconic poster appeals to help bring some of those missing back home. In the same period it provided emotional support for more than 900 families—a service unique to Missing People. It was able to give some of those families the answers they were so desperate for, and to help close almost 340 missing persons cases. Sadly, nearly 1,000 cases are still open. It also provides ground-breaking research. The latest research, to be published shortly, highlights a frightening link between younger men being reported missing after a night out and their bodies later being found in water. We must ensure that young men are educated about that link, so that further deaths can be avoided.

The charity works with the police to provide valuable help in linking unidentified bodies to missing people. Fred and Rosemary West were convicted for killing at least 10 women and children. While the police worked tirelessly to identify the victims, at least half had not been reported missing. Only through the vital help of the then National Missing Persons Helpline—now called Missing People—were three of those anonymous victims finally indentified and their families able to lay them to rest. That is a further striking example of the fundamental importance of joint working between statutory and voluntary agencies.

We have come a long way since the West murders: there has been the 2005 Association of Chief Police Officers guidance on missing persons investigations, to help standardise best practice; the development of better computer systems in most constabularies across the country; and an increase in public awareness of the services provided by the charity Missing People. Despite that great progress, much work still needs to be done. By removing the missing persons infrastructure that our public and voluntary sectors have worked so hard to build up, we would not only deprive those whom it serves but also send a signal to perpetrators of evil crimes that we will not stand up to protect the most vulnerable.

The Government should take a number of steps: first, the vital one of developing a national missing persons database. I understand that a computer system already exists that could do the job, and that is inexpensive and in use by 24 police forces. If there was one system, one log of missing children and adult cases, and one location for the facts and faces of the missing, data-sharing would not be a problem or require expensive solutions.

There should be procedures for recording information and sharing it between the police, children's services, care homes, Ofsted and the voluntary sector. The information could be used to analyse patterns of running away from home or local authority care. I would also like to see the police working with local authorities to ensure that preventive and intensive support services are available in every area of the country to young people who run away. Currently, only 10% of local authorities have access to young-runaway services. There are only two emergency beds in the whole of the UK, and one in three police forces reports that young people have to stay overnight in police cells because there is no emergency accommodation. The work is currently carried out through local authority data collection for national indicator 71, which is now unfortunately being scrapped.

We need fresh statutory legislation, so that local authorities record how many children and young people are missing in their locality, and to ensure that a return interview is carried out. The police must also have a key role in working with local safeguarding children's boards to develop a set of multi-agency protocols and procedures for when a child goes missing.

I would also like the Government to consider a Green Paper on missing persons in order to protect missing adults and children. The first steps were set out in work by the Home Office, initiated by the missing persons taskforce, which I hope the Minister can confirm will continue. This need not be an added expense; indeed, in

the spirit of the big society, we could use the Green Paper to explore using Missing People staff and volunteers further to support police and families. The charity believes that there is enormous potential to increase the role of individuals and organisations in the local community in resolving cases, safeguarding missing people, preventing disappearances and supporting families. Indeed, Missing People has already made substantial progress in creating networks of organisations to resolve cases more expeditiously, improving outcomes for missing people and their families and delivering cost savings at a local level.

We should require the Missing Persons Bureau to match every single body against every outstanding missing persons case. We should examine legislative opportunities to introduce a requirement in law—this happens for victims of crime—to ensure that every missing person's family is signposted to Missing People's free emotional, practical and legal support. We must use legislation to catch up with our colleagues in the devolved Administrations, who have already legislated for the presumption of death. In England and Wales, we have no guidance in cases where a missing person is presumed dead.

Bob Stewart (Beckenham) (Con): My wife was a delegate of the International Committee of the Red Cross and saw slavers moving people in chains or ropes across south Sudan towards the Arabian peninsula. Does Missing People have any evidence that any of our children are being shipped abroad to become slaves?

Ann Coffey: I am not sure about that, but I think that Missing People will respond directly to the hon. Gentleman on that very good point. The events we are debating do not happen simply within national boundaries, but go further.

We should make it a duty for a coroner to co-operate with police inquiries into missing people and to provide DNA evidence. Coroners are currently not required to co-operate with missing persons investigations and in some cases fail to provide information that could lead to a body's being matched with an outstanding missing persons inquiry. I would also like the updated ACPO guidance on the investigation, management and recording of missing persons incidents to be published.

Our banks and insurance companies should have codes of practice to safeguard the families of missing people, who face the prospect of legal battles to safeguard their relative's estate and, for example, to continue paying a mortgage on a property owned by the missing person.

It is vital that the Government protect the budget for missing persons. Ministers announced a 7% cut to local authority budgets, including a 50% reduction in funding for services for children in care by 2012. Police funding will also be cut. There are few services to support young people who run away, and there is no statutory obligation on, or centralised funding for, local authorities to provide services. Nationally, projects were experiencing reduced funding even before the latest spending cuts.

For the families of the disappeared, every day is a painful place of hope and despair, as they hope for news, but worry that not everything is being done to find their loves ones. We must send them the signal that they will not be forgotten.

1.13 pm

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate the hon. Member for Stockport (Ann Coffey) on securing a debate on such an important and sensitive issue. In Medway, in Kent, 65 people were reported as missing, but that number was reduced to 15 through the excellent work of Kent police in partnership with the local authority in Medway.

Time is of the essence, so I will make my points brief. My first point relates to the community policing and case tracking system used first to report that a person is missing. Somebody who has been dealing with these issues for 30 years says of the system:

"I must stress that there are, in my opinion, far too many inconsistencies, duplication, multiple recording, and unnecessary recording, in the data, to rely on the result for any serious statistical purposes, which for a system, which is essentially a management tool, not a bona fide investigative tool, is staggering."

I ask the Minister to review the system, which is used by a number of constabularies and local authorities around the country.

My second point relates to the hon. Lady's point about having a national investigation system. Some would say that such a system should be aligned or compatible with murder investigation principles to meet the issue of investigation. At the moment, different constabularies use different systems, so having a national investigation system, as the hon. Lady suggested, would be a key point.

Finally, there is prevention. Local authorities, education services and housing and welfare services should intervene earlier to ensure that those who might go missing get support in the very beginning.

1.15 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): It is a pleasure to speak under your chairmanship, Mr Dobbin. Let me begin by congratulating the hon. Member for Stockport (Ann Coffey) on securing this Adjournment debate on the important subject of missing persons. I should also congratulate her on her appointment as chair of the all-party group on runaway and missing children and adults. I know that she takes a close personal interest in this significant issue, and I very much welcome her contribution and the way in which she approached and highlighted it.

When we talk about missing persons, I am struck by the broader context. In many ways, that context was reflected in today's contributions. The debate may be linked, for example, to child sexual exploitation and honour-based violence. I very much appreciate that wider context and why we need to focus on dealing with this issue in a serious and measured way. I therefore thank the hon. Lady for securing the debate. I also thank her and other hon. Members for their contributions. They have taken a measured and considered approach to the issue.

Sadly, missing persons constitute an area of public protection that has, in many ways, not always been regarded as the priority that it should be; in some contexts, it has been regarded as more of a niche subject. However, as my initial comments highlighted,

[James Brokenshire]

the Government take the issue very seriously, and the same is true of our responsibility to ensure that the response to missing persons is as effective as possible.

The hon. Lady's remarks were very interesting. Listening to the debate, I was further convinced that greater co-operation and collaboration between all the agencies involved will place us on a more solid platform and help to deliver improved services not only for those who go missing, but for the families and friends who are left behind. The hon. Lady spoke powerfully of the impact that someone's disappearance has on family and friends, who wonder what has happened to their loved one.

The previous Government looked at the issue, and that resulted in the missing persons task force, which the hon. Lady mentioned. The task force studied the landscape, exposed some of the shortcomings and made 22 recommendations in the appendix to its report, which it published earlier this year. One of my earliest tasks as Home Office Minister with responsibility for missing persons was to examine the task force report with a view to understanding where we are on the missing persons problem and to consider what could be done to improve the response. I was pleased to agree early action to ensure dissemination of existing good practice to police forces, to improve information sharing and to ensure police compliance on the code of practice.

We are in the process of taking that work forward. On good practice, I was pleased to see an ACPO toolkit launched on the police online knowledge area system just over a month ago. POLKA is a useful resource for police forces engaged in missing persons investigations. It includes toolkits governing good practice in identifying found people and a forensic examination toolkit. There are plans imminently to go live with a similar toolkit for forces on parental and familial child abductions. It is however clear to me that more can and should be done to improve the response and equally that real improvements can be achieved if existing structures, agencies and resources work better and more effectively together to ensure that those who go missing and their families are properly supported. I have asked my officials to conduct a review of the full set of task force recommendations by the end of the year to consider what, if any, further action we can take on this important issue, considering the changing landscape, and the way in which certain issues have moved on since the publication of the report.

More generally, it is my firm belief that in the meantime, there is some tangible work that can be done now to create the conditions needed for the kind of close engagement we think necessary.

Dr Thérèse Coffey (Suffolk Coastal) (Con): A lady called Mrs Nicki Durbin, of Hollesley in my constituency, wrote to me about the importance of the issue, in connection with her son, Luke Durbin, who disappeared four years ago. I hear what the Minister says about guidelines, and similar things, but how, in the present stricken times, will he prioritise ensuring that the issue of missing persons does not drop off our police forces' priority list?

James Brokenshire: I think that I can give my hon. Friend that assurance on the basis of the action that I have already taken, including the focus being brought to bear by examining the task force recommendations and ensuring that the issue is seen as important for Government. Work has already started, for example, to develop the role of the Child Exploitation and Online Protection Centre in relation to missing and abducted children. The centre has already brought its expertise to bear in the relevant area this year through, among other things, a cold case review and work to incorporate missing children elements into existing public and child safety training programmes. I believe that CEOP will bring a great deal of expertise in child protection to the table. I want it to build on its extensive experience of responding to incidents in which children and young people have been vulnerable to abuse.

I am grateful to the hon. Lady for bringing to the attention of the House the issue of the future of the statutory and voluntary agencies. Missing children aside, I note from the debate the understandable concern and anxiety among some hon. Members about the future of the National Policing Improvement Agency Missing Persons Bureau. However, let me be clear that no decisions have yet been made on the future of the bureau, either about funding or where functions may sit in the future.

Hon. Members will of course be aware that we launched a policing consultation in the summer, which, among other things, sought views on our plan to create a national crime agency. The consultation has now closed and we will be publishing a summary of the responses and the Government's position soon. As part of that, work is continuing to determine the exact nature of the role of the NCA and indeed where the respective activities might sit within the new landscape—including those of CEOP and the Missing Persons Bureau, although at this stage no final decisions have been taken.

I note, too, the concerns raised about central Government funding to the Missing People charity. I understand the difficulties that it will cause, but I cannot today make commitments to resources, which as we all know are currently scarce; but I can give a commitment to listen to concerns and look for any opportunities to support the charity in other ways. I met representatives of Missing People in the summer and look forward to meeting them again to discuss the matter further.

Caroline Nokes (Romsey and Southampton North) (Con): I want to refer briefly to the excellent work of Missing People in support of one of my constituents, Dr Alan Smith, whose brother disappeared more than 22 years ago. Missing People did not exist when that happened, but since it has been established it has done excellent work and I urge the Minister to find ways to ensure that its good work can continue, particularly in relation to legal advice. My constituent found that few solicitors he turned to had any idea what advice to give.

James Brokenshire: I certainly recognise the contribution made by Missing People to the action plan, and the support that it has given. That is why I was keen to have a meeting soon after my appointment. I look forward to discussing some of the issues shortly.

I want to deal with some of the specific points made by the hon. Lady, although I am conscious that time is pressing. If I cannot get through them all in the time available, I shall write to her on any outstanding issues. She raised the matter of support to families when a loved one goes missing. I too feel that nothing could be

more important than the need to trace the missing person, but in turn, it is just as critical that families who are left in limbo when their close relatives go missing for the long term should be supported, and that they should know where to turn for help. Ensuring that the families of the missing, and the missing themselves, receive the support they require and deserve is vital to our overall efforts at addressing the problem. Of course, we can never hope to prevent people from going missing if they are determined to do so, but we can ensure that proper mechanisms are put in place to provide the support that is needed.

As with all aspects of public protection, when people go missing, close collaboration between police forces and indeed between police and statutory and voluntary agencies is surely crucial to making an effective response, and ultimately a successful outcome and the resolution of cases, possible. However, those things take time to achieve, as organisations get used to working together towards a common goal. That approach also means a change of mindset and the will to improve, and I am determined that the Government should do what they can to facilitate that.

Ben Gummer (Ipswich) (Con): Will the Minister give way?

James Brokenshire: Very briefly, as there are several points to get through.

Ben Gummer: Ipswich was the place where Luke Durbin went missing, as my hon. Friend the Member for Suffolk Coastal (Dr Coffey) mentioned. It was also the place where there were, sadly, serial murders of sex workers a few years ago. A critical point arising from the experience of trying to deal with the prostitution trade there is that very small local charities were instrumental in helping to clear up that terrible situation. Many of those concerned were themselves missing people. I want to impress on the Minister the role of very small local charities, many of which are suffering from tendering arrangements in Ipswich.

James Brokenshire: I am grateful to my hon. Friend for highlighting the valuable and important role of charities and the voluntary sector. They are part of the landscape and the innovative and important work that is done. I appreciate that serious point.

As to body matching, a number of good examples of successful cross-matching already carried out by the bureau prove that the system works fairly well, but there is clearly always room to improve the way those cases are handled, and we will reflect on that further in relation to future work.

The matter of a single database and Compact was also raised by my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti), and we need to recognise that the Missing Persons Bureau and the charity Missing People both use a database of missing and found people, including bodies and body parts, called Hermes, which has undergone different modifications at different times in its different locations, resulting in a different complexion for essentially the same system. I am keen that some work should be done to determine the merits of a single database and that there should be better exchange of information on a regular basis between organisations. That should also include an examination of the future shape of Compact, the missing persons case management system, which is already in use in 22 police forces.

With regard to coroners, DNA evidence and a duty to co-operate, coroners already seek to establish the identity of unknown bodies that come into their custody, and that process includes DNA testing. Where a deceased person cannot be identified, the body must be disposed of by the responsible local authority in accordance with the relevant provisions of the Public Health (Control of Disease) Act 1984, either by burial or cremation. Most coroners already co-operate fully with the police when they have a body in their custody that they cannot identify, and they are likely to respond positively to any local or national strategy, with associated protocols, that may be established. As part of planned changes to the coroner system, announced in a written statement by the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr. Djanogly), on 14 October at column 37WS, the Ministry of Justice will be taking forward work to establish improved guidance to coroners on the procedures that they follow in relation to every aspect of post-mortem and related examinations.

I do not pretend that there is not more to do, but I hope that my comments go some way to answering the questions posed by hon. Members and reassuring them that the Government are committed to the issue of missing persons and missing persons services. Early assistance to police forces is already in place through the toolkits, the role of CEOP in relation to missing children is being developed, and future activities by the Missing Persons Bureau are being considered in the light of the policing consultation. There is clearly more work to be done, but I look forward to updating and working with the key agencies to deliver improvements to this important area of safeguarding over the coming months.

Incinerators

1.30 pm

Fiona Bruce (Congleton) (Con): I am pleased, Mr Dobbin, to address this subject under your chairmanship. It is a serious one for my constituents, and my focus today is on localism.

I appreciate the Minister making time to respond to the debate. I hope that he will clarify Government policy on incineration and say how it relates to empowering local communities to make decisions about their areas. I am delighted to see that he is to respond to the debate; he successfully held the same position in opposition for a number of years. I am particularly pleased that he visited Middlewich in my constituency when he was shadow Minister responsible for agriculture—I last raised this question with him then—so he knows the town of which I shall be speaking.

I hope that my contribution will be followed by one from my hon. Friend the Member for South Ribble (Lorraine Fullbrook). An incinerator has been installed in her constituency, and I hope that what she says will serve to show what can happen to towns once an incinerator has been built.

I am holding a file 2 inches thick, which is full of correspondence from my constituents. They do not want an incinerator 500 metres from Middlewich town. I have received no letters of support for an incinerator there—not one. Most of the letters in this folder are individually written, including one from a seven-year-old boy who lives near where the planned incinerator would be built.

The local council refused planning permission for the incinerator earlier this year. Its decision is now being appealed. The final say lies with the Secretary of State, who will have to make a decision in the near future, so I understand that details of this case cannot be discussed by the Minister today. However, I believe that we should discuss the principles.

I hope that the Minister will agree that a local community should be able to decide on its identity. Middlewich is a friendly, small market town with a population of approximately 13,000, and it has tremendous community spirit. It has a rich past as a Roman settlement, and it is a former salt-mining community. It has a good selection of independent shops, pubs and cafés. The Trent and Mersey canal goes right through the town. The strong local community has worked hard to develop a vibrant tourist industry, including an annual boat and folk festival that attracts some 20,000 visitors.

Community life in Middlewich involves the whole community, as well as churches, schools and local organisations. For example, the British Legion and the rotary club, among others, will soon hold a weekend-long charity beer festival. Only two weeks ago, it seemed that the whole town had dressed up in period costume for a world war two event. The community of Middlewich remains strong in its ability to attract visitors, and it is a pleasant place to live, work and bring up a family.

Constituents have told me that more than 7,000 people signed a petition against the planned incinerator. That is more than half of the Middlewich population. I understand that no fewer than 3,300 letters of objection were sent to the council about the original planning application. When the planning committee refused the application earlier this year, hundreds of people from the Middlewich area attended at the civic hall. There was standing room only. I was glad to witness the fact that it was the unanimous decision of local councillors on the Cheshire East planning committee to reject the planning application.

In addition to the overwhelming desire of local people not to see the plan proceed, there are many other reasons why it was right that the planning application should have been rejected. The site is inappropriate. It is not identified as a preferred site in the Cheshire replacement waste local plan. At a public inquiry, only six sites in Cheshire were deemed suitable for thermal treatment, and Middlewich is not one of them. I understand that the nearest resident lives approximately 150 metres from the proposed site. As one resident has written, the site

"is too close to the town, schools, residential areas and farmland."

Middlewich people work hard to make the town pleasant for visitors and residents, including through the various festivals that take place throughout the year, with people putting up bunting and flags and making their town attractive. All that would be dwarfed by the proposed construction of this enormous incinerator, which would have a smoke stack almost as tall as a football field is long. It would dominate the town and the surrounding countryside.

Traffic flow into and out of Middlewich is already bad. To feed the hunger of the planned incinerator, waste would have to be imported to the local area to be burned. That would affect local roads by increasing the already great congestion. The traffic flow through Middlewich is already heavy at daily peak times, and long tailbacks occur.

I am informed that the applicant's estimate of the number of trips that would be generated if the incinerator was built is another 156 or so two-way movements of heavy vehicles along the A54 each day. However, as the source of the waste processed has not yet been fully identified—most of it, if not all, will come from outside Middlewich—any definitive statement by the applicant about the impact of traffic must be unsound. One thing is for sure: it would considerably exacerbate already serious daily traffic problems. Hon. Members may recall film footage of the traffic gridlock that occurred last winter during the severe bad weather; then, lorries had to travel through and to Middlewich for additional salt from the nearby British Salt depot.

Building an incinerator near Middlewich town centre would also be detrimental to employment. Far from the new development being a positive contribution to increased local employment, the plans could prove highly unfavourable to local employment prospects. The planned plant might create up to 50 jobs, but it could jeopardise many more. Future employers could be deterred from locating their premises in the vicinity of a waste incinerator for a variety of reasons. That applies particularly to the retail, food, leisure and service sectors.

Such community matters are not the only important factors, however; just as important are the principles of environmental safety and sustainability. Cheshire has a cluster of planned incinerators. Two are still to be determined; one is at Lostock in the constituency of my hon. Friend the Member for Weaver Vale (Graham Evans)

Graham Evans (Weaver Vale) (Con): I thank my hon. Friend for giving way. I am a fellow Cheshire Member, and, as we all know, Cheshire is God's own county.

Four proposed incinerators surround my constituency. They are at Weston Point, Ince Marshes, Lostock and Middlewich. I wonder how we are going to feed them. At the height of production, the Weston Point incinerator will produce only 20% of the power required by INEOS Chlor, and that waste will come from Manchester. For some reason, although that incinerator is located on Merseyside, most of the Merseyside waste will not go to that incinerator but will have to go over the water to Ince Marshes in Cheshire. I am concerned about the logistics of that. I am also worried about viability. If Merseyside's and Manchester's waste are accounted for, where will the other incinerators get their waste from?

I have met with campaign groups such as the Cheshire Anti Incinerator Network and the Halton Action Group Against the Incinerator, as well as the applicants, Brunner Mond and INEOS Chlor, which are excellent local employers and part of the rich industrial heritage of the area. I have also met officials from the Environment Agency. From those discussions, it is clear that the most significant impact on the local communities will be the increase in traffic as the plants draw in waste from Cheshire and beyond.

Jim Dobbin (in the Chair): Order. This is a half-hour debate, and interventions should be short.

Fiona Bruce: My hon. Friend makes my points for me. If the four planned incinerators in Cheshire go ahead, there will be over-provision. There is no need for a further facility at Middlewich. That was confirmed in the original planning refusal, which stated that there would be an over-provision of waste facilities. It undermines the sustainability principle, which is that waste should be disposed of at an appropriate nearby location and should not be transported long distances.

My constituents are also concerned about the environmental and health implications of multiple incinerators in relatively close proximity to one another. Until a better scientific understanding is gained and the public can be reassured about such implications, my constituents feel that the precautionary principle should be applied.

David Mowat (Warrington South) (Con): I do not want to go into the details of the incineration in Middlewich, but it is important to understand why we incinerate or combust. This country continues to put more waste into landfill than any other country in Europe, which is a disgrace. There is a large landfill tip in Warrington that causes as much distress for residents as incinerators—I prefer to call them combined heat and power plants. Of course it is wrong to put such things in the wrong place, and we should be cognisant of local planning considerations. We also need to understand that landfill is, environmentally, the worst of all options, and it cannot be right that we continue to have more landfill than any other country in Europe.

Fiona Bruce: My hon. Friend makes a good point. Indeed, that is why the Middlewich residents are so offended; in November 2007, approval was given for a new landfill site, which is to be positioned less than half a mile away from the proposed new incinerator.

Let me touch on a further problem relating to the Government's climate change and energy policy. Even if one recognises that waste management needs to be properly framed within a national strategy, there is a good argument to say that the planned incinerator in my constituency would fall foul of important efficiency criteria in the EU waste framework directive of 2008. I am not always fond of the EU, but the directive highlights the importance of efficiency in incineration for the purposes of creating energy and heat. It requires that incinerators be labelled as "recovering" energy from waste only if they have a burn and energy creation efficiency of some 65%. If they do not reach that criterion, they are to be considered a disposal facility. In other words, they would be on a par with landfills.

I am reliably informed that the normal efficiency of incinerators in the UK is about 25%, and that the efficiency of the one in Middlewich, according to the company that wants to build it, would be, at best, 26%. It is interesting to note that one of the original reasons for refusing the initial application was that the applicant had not shown that it had made adequate provision for

"means of grid connection for the recovery and export of energy for the facility."

Let us not delude ourselves: in the waste hierarchy, a low efficiency rating is on a par with landfill. That is not sustainable and should not be considered environmentally friendly. The Sustainable Development Commission has recommended that only high-efficiency energy from waste plants—namely energy from plants that produce a 65% return on burning waste—should receive Government support, and I agree with it.

Furthermore, the principle that the Government are promoting, whereby local communities should decide how best to deal with their own waste, does not seem to apply either to the process of appealing to the national level, or to the logic of the use of large-scale imported incineration. In reference to an application made by Covanta in the Mid Bedfordshire constituency, the Prime Minister recently said that it is right that

"decisions should be made locally. We want to make sure that all the latest technology for alternatives to incineration is considered, so that we can make sure that we are using the best ways to achieve a green approach."—[*Official Report*, 30 June 2010; Vol. 512, c. 851.]

There is clearly consensus on this issue in the coalition.

The Secretary of State for Energy and Climate Change said:

"We support modern energy generation from waste where local communities want it and where it makes good environmental sense."—[*Official Report*, 1 July 2010; Vol. 512, c. 977.]

I emphasise the words

"where local communities want it".

That is the principle to which we should adhere. Local people should decide about such matters. We can talk about national policies, but there is one overriding factor that distant decision-makers ignore at their peril: the people of Middlewich do not want the incinerator, and Middlewich is their home.

Several hon. Members *rose*—

Jim Dobbin (in the Chair): I remind hon. Members that this is a short debate, so please keep contributions brief.

1.44 pm

Nigel Adams (Selby and Ainsty) (Con): I am grateful to my hon. Friend the Member for Congleton (Fiona Bruce) for securing this very important debate on a subject that is exercising the mind of many of my constituents in Selby and Ainsty, and constituents from across the whole of North Yorkshire. Let me take this opportunity to remind my hon. Friend the Member for Weaver Vale (Graham Evans) that there is only one county that can be called "God's own", and that is Yorkshire.

The Department for Environment, Food and Rural Affairs recently announced that as part of the comprehensive spending review, it reviewed the amount of private finance initiative grant that the Government need to put into local government-funded waste-treatment infrastructure. It concluded that some projects will not go ahead. However, thousands of concerned North Yorkshire residents will be disappointed that the North Yorkshire and city of York waste PFI project at Allerton Park is one of the 11 projects that will retain its provisional allocation of PFI credits. Will the Minister be kind enough to let me know why the Allerton Park project is one of those schemes to escape the CSR axe and on what grounds the decisions on what scheme to keep or scrap were made? Furthermore, will the Minister tell me and my concerned constituents, thousands of whom have signed a petition against the proposal, whether he believes that North Yorkshire county council is using public money wisely by signing up the public purse to a 25 to 30-year PFI project, with an initial cost to the taxpayer of £65 million, especially during such straitened times?

Andrew Jones (Harrogate and Knaresborough) (Con): Let me add my concerns to the debate about Allerton Park. The financial case for the proposal at Allerton Park is deeply flawed. The proposed incinerator will require 300,000 tonnes of waste a year, yet the household waste generated across North Yorkshire will not reach that level. That means that the incinerator will have to take commercial waste; there is nothing wrong with that, but it means that the risk will be with the local taxpayer, and the gain will be with the incinerator operators.

Nigel Adams: My hon. Friend is absolutely right. Many local residents and I believe that the PFI project is flawed because it relies on forecasts of increasing waste volumes, low recycling and rising landfill tax over the next 25 to 30 years. To the best of my knowledge, the Minister's Department does not know what the level of landfill tax is likely to be in five years' time, let alone in 25 years' time. North Yorkshire's figures potentially overestimate domestic waste volumes and underestimate increases in recycling. The result is that the intended incinerator capacity is likely to be almost twice the necessary amount, so the project cost savings may very well not be realised, and that potentially means a bad deal for taxpayers.

1.48 pm

Lorraine Fullbrook (South Ribble) (Con): I support what my hon. Friend the Member for Congleton (Fiona Bruce) said about what happens after a waste site is built. I experienced such problems when I was a parliamentary candidate for Lancashire before the boundary changes. The Farington waste site was built in my constituency, which is now the Ribble Valley constituency. The cross-party South Ribble council unanimously voted the application down, but the Lancashire county council voted it through. The aftermath has been horrific. This is a massive waste site, which in some cases runs 18 metres from the ends of people's gardens. It has devastated the local wildlife and their habitats, and it has added one extra lorry movement every two minutes past long-established residential areas. It is taking rubbish from all over Lancashire, and is in danger of making South Ribble the dustbin of Lancashire. Simply put, this waste site has devastated people's lives. Those who voted for it to be built next to residential properties should hang their heads in shame.

Jim Dobbin (in the Chair): For the second time today, I call the Minister of State, Department for Environment, Food and Rural Affairs.

1.49 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): Thank you, Mr Dobbin, and good afternoon to you.

I want to start by congratulating my hon. Friend the Member for Congleton (Fiona Bruce) on securing a debate on an issue that is important not only for her constituency but, as has been shown, for a number of my hon. Friends, whom I think have differing views about the issue of incinerators. However, it is a big issue and last week's comprehensive spending review announcements obviously impact on it.

My hon. Friend is probably aware that, despite her kind words at the beginning, this issue is not part of my portfolio. However, the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury (Richard Benyon), is at a Council of Ministers meeting in Luxembourg. Therefore, responding to this debate falls to me, but I will pass on to him the detail of what my hon. Friend has said.

Before I get into specifics, I want to make a few points that I hope will calm some concerns, even if they are not necessarily exactly what my hon. Friends want to hear. First, I want to give some facts about waste incinerators. We appreciate that there are huge concerns about incinerators, including their effect on air quality, the natural environment and the health of communities in the vicinity. My hon. Friend referred to the proximity of residences to incinerators in her area.

However, I must emphasize that all modern waste incinerators are subject to extremely stringent pollution controls. They have to comply with the waste incineration directive, which sets strict emission limits for pollutants. As my hon. Friend knows, the Environment Agency must grant the necessary permits for an incinerator to operate if a facility is not compliant with that directive. In other words, such a facility would have to get a permit, and I understand that the permit for the proposed Middlewich incinerator has not yet been granted; in fact, the Environment Agency is still considering the application. All of that means that emissions from waste incinerators are probably more heavily regulated than emissions from coal, gas and other forms of power generation from combustion.

I also need to make it clear that studies have failed to establish any convincing link between the emissions from incinerators and adverse effects on public health. Only last year, the Health Protection Agency reviewed the existing evidence and concluded that any effect on people's health from incinerator emissions is likely be so small as to be undetectable. The agency also affirmed that adverse health effects from modern, well-regulated waste incinerators do not pose a significant threat to public health.

David Mowat: I hear what the Minister says about the level of pollution from incinerators, which is correct and broadly in accordance with reports produced, inter alia, by the Institution of Mechanical Engineers on this subject. However, it is not true of landfill sites, which sometimes cover many hundreds of acres and are regulated to a much worse standard, creating a much more significant public health issue. This is not a plea for incinerators to be built in the wrong place—the comments of my hon. Friend the Member for Congleton are very valid—but we need to understand that we are not comparing incineration with recycling but with landfill, and that is not acceptable either.

Mr Paice: I am grateful to my hon. Friend for making that point. It is extremely important that we understand what we call the "hierarchy of waste disposal".

As my hon. Friends know, this Government are determined to be a green Government, and part of that involves moving towards a zero-waste economy. That does not mean having absolutely no waste—of course, that is nonsensical—but that resources are fully valued, and we recognise that one person's waste may be another person's raw material.

We are moving closer to zero landfill, and incidentally, I can tell my hon. Friend the Member for Selby and Ainsty (Nigel Adams) that the landfill tax is £48 a tonne at the moment and will rise by £8 a tonne for the next four years. So we do know what landfill tax will be in 2015, although I grant that we do not know what it will be in 25 years' time. Nevertheless, that point might be a little helpful.

We are carrying out a thorough review of waste policy, which we will publish next spring. I cannot pre-empt the findings, but recovery of energy from some waste through incineration and other technologies such as anaerobic digestion is extremely important. That process has a role to play as we move towards the zero-waste economy that I have talked about.

At one extreme of that zero-waste economy is precisely the issue that my hon. Friend the Member for Warrington South (David Mowat) referred to: getting rid of landfill. We cannot go on dumping material in the ground. Not only is it bad in all the ways he described; leaving waste as a legacy for the generations to come, who would have to dig it up, is a pretty impolite thing to do.

So we have a hierarchy of waste disposal, and the preferred option is obviously to prevent waste being created. The next most preferable options are reuse, recycling and recovery—either of the waste itself or energy from it. Landfill must be the very last resort and hopefully, it will be eliminated altogether. Clearly, that hierarchy can change for different individual waste types if it makes environmental sense. However, wherever possible we must set our face against landfill.

In other countries, such as Scandinavian countries and the Netherlands, recycling and the use of energy from waste operate in co-existence. In the Netherlands, recycling rates are around 65%, with 33% of energy coming from waste. The figures are similar in Scandinavia.

The waste hierarchy will shortly become UK law through the revised waste framework directive, under which we will have legal targets to meet. The Climate Change Act 2008 sets new targets for carbon budgets, and waste cannot be excepted from that process.

My hon. Friend the Member for Congleton concentrated on local issues and it is entirely right that she did so. However, before I turn to them I cannot stress too much the fact that we can recover energy from waste not only through incineration but through other technologies. Nevertheless, incineration is a proven way of getting energy from waste, although nobody should pretend that it is some sort of "silver bullet".

My hon. Friends the Members for Selby and Ainsty and for Harrogate and Knaresborough (Andrew Jones) raised the issue of the Allerton Park project. I am afraid that I cannot answer all their questions, but I will happily write to them about the details of that project or ask my hon. Friend the Under-Secretary to do so. However, I point out that, as we said last week, we will publish the methodology through which the 11 remaining sites with projects were left in the private finance initiative allocation, and through which the others were taken out. I therefore think we will be able to answer most of my hon. Friends' concerns about the Allerton Park project.

I turn to the issue of the community. Of course, this Government make great play of the importance of decentralisation. It is an absolute commitment and we want to implement it as much as and wherever we possibly can. As my hon. Friend the Member for Congleton recognised in her speech, I cannot comment on the particulars of the Middlewich application, which will go to a planning appeal and ultimately, because it is affected by Government policy, to my right hon. Friend the Secretary of State for Communities and Local Government. Nevertheless, the question of communities having their say and—if I understood my hon. Friend correctly—the planning authority's rejecting the application unanimously are important issues that will have to be taken into account in the inquiry.

We want to ensure that where such applications are made, there is a proper, informed and vigorous debate within the local community, so that it can make the right choices. I fully understand that there is a great deal of public concern about this issue. Concern about incinerators is probably exceeded only by concern about the proposed siting of a Travellers' camp next to people's homes—and that might be a marginal difference.

It is important that I stress what I said earlier: that there are no public health issues related to having an incinerator in the vicinity. There may be other planning matters, and that is why I cannot comment on detailed planning issues, but we need to have these debates based on the facts. The fact is that all communities produce waste, and responsibility must be taken for dealing with all that waste in a way that best balances the needs of the community and the environment, while allowing those best placed to take such decisions to take them in as balanced and informed a way as possible, with as little red tape as possible.

[Mr Paice]

I congratulate my hon. Friend the Member for Congleton on securing this debate and on opening up what is an emotive and important issue for many local communities. I should have made it clear—although I think she is already well aware of this—that the PFI decisions made last week do not affect the Middlewich application because, as I understand it, it is not a PFI application so that aspect does not come into it. Nevertheless, I am sure that the my hon. Friend the Under-Secretary will take note of what has been said today and will ensure that the Secretary of State for Communities and Local Government is aware of all the facts when he makes his final decision, which will be based purely on the planning issues. As I have said, we are determined to be the greenest Government ever, which means that we must find a satisfactory alternative to landfill.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 27 October 2010

[MR JAMES GRAY *in the Chair*]

Housing (CSR)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Jeremy Wright.)*

9.30 am

Mr James Gray (in the Chair): In answer to a request from the Minister, it would be perfectly in order for gentlemen to remove their jackets. I was told to put you in order in relation to that, Mr Betts.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): I am pleased that we are meeting under your chairmanship this morning, Mr Gray. At the outset, I wish to draw attention to my interests in the Register of Members' Financial Interests. I am grateful to have this opportunity to raise an issue of huge importance and very real concern to our constituents and the whole country: the impact of Government policy and the comprehensive spending review on housing investment and supply.

I have been closely involved with housing for almost all my working life, during which I have seen a number of ups and downs. However, at no time during the past four decades can I recall there being a bleaker outlook for people looking for a new home or a solution to their housing problems. As MPs, all of us know from our constituency surgeries and our wider contacts in our communities how many people face housing difficulties, whether that expresses itself in the despair felt by many prospective home buyers who cannot find a home at prices they can afford or in relation to those people who think they have found a home at a price they can afford only to have their hopes dashed when they cannot obtain mortgage finance. Such despair might also be reflected in the anxiety of tenants and home owners, who fear that they will no longer be able to afford to stay in their home against a background of rising unemployment and harsh cuts in housing benefit. Alternatively, there is the desperation felt by families living in overcrowded or squalid conditions who have an urgent need for a move but see no prospect of getting an offer of a social tenancy and are nervous about whether they can afford the cost of a private one.

All those and many other problems are familiar to us, but what is particularly alarming is the prospect—I fear it is a very real prospect—of things getting much worse in the months and years ahead as a consequence of the coalition Government's policies and the comprehensive spending review. We have just come through the most serious recession of my lifetime, and housing was inevitably badly affected. Private house building in England fell from just over 150,000 new starts in 2007 to just 60,000 in 2009. That clearly has had a serious impact on the situation, but things would have been far worse if the then Labour Government had not taken a series of bold measures to counter the downturn.

As a result of the fiscal stimulus and more specific policies targeted at the housing market, repossessions, which had been forecast to rise to similar levels to those seen in the recession of the early '90s, peaked at around half that level. Investment was made through the Homes and Communities Agency in schemes such as Kickstart, the national affordable housing programme, and HomeBuy Direct, which meant that social and affordable housing programmes were maintained and confidence began to return to the market.

In the early months of this year, house builders were reporting month-on-month improvements in house sales and in the output of new homes; it appeared that we had turned the corner. Then came the general election and the formation of the coalition Government. Since then, a series of ill-considered, unco-ordinated, untested and, frankly, irresponsible policy initiatives and cuts have destroyed the prospect of recovery, brought the housing market to the verge of a double-dip recession and spread alarm and concern around almost every sector of the community that is in need of better housing.

Two weeks ago in this Chamber, my right hon. Friend the Member for Barking (Margaret Hodge) highlighted the disastrous consequences of the housing benefit cuts announced in the June Budget. As we had a full debate on that subject then, I will not go over the same ground again. However, I will reiterate her words on the spectre of rising homelessness, indebtedness, insecurity and forced migration, all of which have been prompted by the coalition Government's policies. Of course, since then, the already bleak prospect has been compounded by the announcement of further benefit cuts and caps in the spending review. It is hardly surprising that fears for the future viability of the private rented market are being voiced by landlords and tenant representatives alike. The situation would be bad enough if that was the only policy change emanating from the Government, but there have been many more.

Confidence in the private house building industry has been severely damaged over the past five months by ill-thought-out changes to the planning regime, a continuing mortgage famine, fears about rising unemployment and severe cuts to the Homes and Communities Agency budget, which had been supporting many new housing and regeneration schemes. Last week, on 20 October, *The Times* reported that Bellway—Britain's sixth largest house builder—had

> "delivered what one analyst described as an 'unremittingly bleak' assessment of the housing market. The Newcastle-based company said that while it had enjoyed a strong spring selling season, consumer confidence had 'slowly ebbed away' after the general election and subsequent media discussion of how the Government planned to tackle Britain's budget deficit."

The Daily Telegraph reported last week on 22 October that the Bank of England is warning that home prices are likely to remain static or decline in 2011, as home loans become harder to secure after the spending cuts. The article goes on to state:

> "The warning will add to growing fears about the fragility of the housing market after values dropped last month by the biggest monthly amount ever recorded."

The Guardian also reported last week on 22 October that:

> "Britain's struggling housebuilding industry is 'bewildered' by government plans to radically change the financing of new council houses as experts warn the measures could have a 'devastating impact' on the future supply of social housing."

Mr Mark Field (Cities of London and Westminster) (Con): I have some sympathy with what the right hon. Gentleman has said. Clearly confidence is fragile, but that is partly because there has been a reality check

[Mr Mark Field]

since the election and the Government have been upfront with the public about the need for austerity. However, I share—I hope that he does, too—the positivity that lies behind the very determined strategy for growth that the Prime Minister has been articulating in the aftermath of the comprehensive spending review. His comments and that strategy will help to restore confidence. The austerity message is important given the fact we were living far beyond our means.

Mr Raynsford: I cannot agree with the hon. Gentleman, whom I know well and for whom I have a lot of respect. The truth is that the economy was recovering during the early months of this year, as the figures show. I am not giving my own opinion; I am talking about the opinion of experienced business people, house builders, lenders and analysts who all say exactly the same thing: the housing market was recovering and there was the prospect of growth. In the past five months, that has been taken away by a series of measures—Budget measures introduced by the Government, changes in planning policy and changes affecting institutions that have been summarily abolished. A series of ad hoc, poorly co-ordinated and ill-thought-out proposals have damaged confidence in the market. Any person who is seriously worried about housing should feel very alarmed about that.

Mr Andrew Smith (Oxford East) (Lab): I congratulate my right hon. Friend on securing this vital debate; he is speaking with his customary expertise on this very important subject. Further to the comments of the hon. Member for Cities of London and Westminster (Mr Field), is it not the case that there has been a conjunction in the restriction of supply—for all the reasons my right hon. Friend has set out—and vicious cuts in the ability of the poorest people to meet the costs of the supply that is available? The consequence of those two factors has been to carry out a vicious attack, particularly on the housing needs of the poorest in our community. Once what is happening gets across to the wider public, it will cause outrage.

Mr Raynsford: My right hon. Friend, who has great experience in both the financial field and housing, makes an extremely telling point. I have a huge amount of sympathy for what he is saying. From what I will say later, he will hear that I agree wholeheartedly that the impact of the measures announced by the new Government will disproportionately affect poorer people.

After Ministers have been confronted with such dire evidence of the negative impact that their policies have had over the past six months, one might expect that they would be reconsidering some of their impetuous early decisions and the harsh cuts package. One certainly might expect a Liberal Democrat Minister to wonder why he and his colleagues have lashed themselves to the mast of a Tory ship heading directly on to the rocks, steered by a demented helmsman, while the captain appears blithely unaware of the immediate perils, fixing his gaze instead on some distant coastline and imaginary sunlit uplands and—to use the words of the hon. Member for Cities of London and Westminster—prattling on about growth tomorrow, unaware that the reality is one of cuts and unemployment coming today.

Instead of changing course, Ministers continue to press ahead on their doomed journey, ignoring all the evidence of impending disaster and pinning their hopes on the so-called housing bonus incentive, which is about as unconvincing as the imagined sunlit uplands. The scheme has been promised as the panacea for the housing market for the past six months. In the summer, the Minister for Housing and Local Government promised anxious house builders that it would be launched before the summer recess. We were then told that all would be revealed in the autumn. Now we are promised a consultation in November. All the while, confidence is draining away from the housing market.

Perhaps the Minister can reveal today how that supposed panacea will work. Will it, as the Housing Minister originally claimed, apply to all new homes? That was the prospectus. I now gather that it is more likely that it will apply only to net additions to the housing stock. If that is the case—I would be grateful if the Minister confirmed that—what will that do to regeneration? What will it do to areas where there is a need to develop brownfield sites and clear properties or to improve older, substandard ones as part of that process? In such areas, it will probably be years before there is any net addition to the housing stock. What possible benefit will there be in such areas from a bonus scheme that is based solely on net additions to the stock?

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It might shorten the right hon. Gentleman's speech a little if I say that it is a new homes bonus.

Mr Raynsford: That is as clear as mud. Is it additional new homes, or new homes? The original prospectus specified all new dwellings.

Andrew Stunell: The right hon. Gentleman obviously was not listening. I did not use the term, "additional new homes"; it is a new homes bonus. He should trust the words of the Housing Minister.

Mr Raynsford: If that is the case, I am pleased to hear it, but there has been much speculation in the housing press, based on the Housing Minister's remarks at the Conservative party conference—not an occasion that I attended—indicating that it would apply to net additions to the housing stock. There is an obvious concern, and I hope that we will have greater clarity than we have so far received on the subject.

Mr Andrew Smith: There is a further problem with that bonus idea. We have all been present at planning meetings at which those who are opposed to new housing developments say that they are being built for the money. Chairs of planning have been able to stand back and say, "No, the planning issues are being judged on their merits." Will not they now have to put their hands up and say, "Yes, we are doing it for the money."?

Mr Raynsford: My right hon. Friend makes a valid point. People who are opposed to housing developments will inevitably see a council's decision to grant consent as tainted if it is to receive a financial sum as a result of doing so. That will always be a problem with such a scheme, and I highlighted the difficulties that it would create almost a year ago when I spoke with the Housing Minister, who was then the Opposition spokesman.

There are many other areas of uncertainty. How many homes will the scheme generate? We have been given some pretty flamboyant promises by the Housing Minister, but how will the Government's estimates for the number of new homes generated compare with the 160,000 homes for which plans have already been ditched since the general election, primarily because of changes in planning rules? Tetlow King Planning has estimated in a report for the National Housing Federation that a further 120,000 to 140,000 planned homes could be lost in the coming year.

What will be the impact of cuts to funding schemes for local authorities? Which authorities will gain and which will lose? How will the bonus be split between district councils and county councils, bearing in mind that the former have to give planning consent, but that the later have to meet most consequential infrastructure costs? I hope that the Minister can give us more detailed answers to those questions, but I fear that we may have to wait rather longer, as we have waited in vain for the emergence of detail on the scheme for the past five months.

One question that I hope the Minister will answer is this: given all the questions and doubts that have been raised in so many quarters, including by those who have a real understanding and professional involvement in the field, why has the scheme not been piloted to test whether there is a realistic prospect that it will deliver the benefits that the Housing Minister constantly assures us it will bring? How can the Government claim to believe in evidence-based policy making, when they have not a shred of empirical evidence to support the case for the housing bonus incentive?

As if the damage caused by the harsh housing benefit cuts and their maladroit destabilising of the housing market was not enough, the Government have also embarked, in clear breach of Conservative election pledges, on a dismantling of the whole basis of social housing in England. Why Liberal Democrat Ministers and Members are choosing to go along with those disastrous policies is a mystery. Perhaps the Minister can give an explanation. Enjoying security in one's own home is an asset that almost all hon. Members take for granted, as do the great majority of the population. The old adage that an Englishman's home is his castle reflects a deep-seated belief that a secure home is a bedrock of a decent society.

Ms Karen Buck (Westminster North) (Lab): Is my right hon. Friend aware that a growing body of research demonstrates the negative impact upon children's well-being of high enforced mobility? The savings gained as a result of some of those measures and the removal of security of tenure will be more than offset by the damage done to children's health, emotional well-being and educational achievement.

Mr Raynsford: My hon. Friend speaks with considerable knowledge and experience of the subject, and I wholly endorse what she said. That is an area where there is great cause for concern. It is rather depressing that it is coming from a Minister whose language reveals the rather cavalier approach that he is adopting towards his policies.

In March this year, in the run-up to the general election, the current Housing Minister said:

"Conservatives will ensure that living in social accommodation means that you'll get a 'freedom pass' to get on and do more with your life."

That is the first time that I have heard a notice to quit described as a freedom pass. That is an indication of the Orwellian language that the Government are using to justify some of their wholly unacceptable policies.

All of us recognise that security is so important for people's life prospects, so why should the coalition Government, without any manifesto commitment or reference in the coalition agreement, move to take away that precious security from a group of our fellow citizens who arguably need it more than anyone? The only credible argument advanced by those who advocate the policy is that it will free up social housing, making more homes available to those in need, but any serious analysis of the Government's proposals shows clearly that it will not have that effect—on the contrary, it will discourage mobility—and that, even if it did have the intended effect, it would have disastrous social consequences.

Let us take those arguments in turn. If existing tenants are not to lose their security, and if new lettings are to be made on a new basis without the traditional security and at 80% of market rents, existing tenants who might have considered moving to a smaller home, so releasing larger accommodation for those in need, will obviously have second thoughts if the result will be a loss of security and a rent increase. The policy would have the opposite effect of that intended. If, however, to counter that perverse incentive to remain in an under-occupied home, tenants are allowed to keep their security when moving and not have a rent increase, there will be grotesque anomalies. Wholly different rents and tenancy terms will be perpetuated solely on the arbitrary criterion of whether the tenancy is offered to a transferring tenant or a new applicant.

Worse still will be the consequences of using the new insecure tenancies to require tenants to move on if their income increases or if they are judged to have enjoyed sufficient time in social housing. What chance is there of creating mixed and balanced communities, rather than ghettos of deprivation, if anyone who gets on is told to leave? If only the poor and the unemployed can occupy social housing, that is a recipe for residualisation and a total disincentive to aspiration.

Mr Andy Slaughter (Hammersmith) (Lab): My right hon. Friend has come to the nub of the issue, which is that this is not about creating balanced communities but about social engineering. On new build housing, I use the example of my local authority, Hammersmith and Fulham, which is aiming for 40% affordable housing over the next 10 years. All those units will be intermediate housing, which is for people on incomes between £20,000 and £80,000 a year, yet 40% of households in the borough are on incomes below £20,000. The people most in housing need will not be provided with housing.

Mr Raynsford: My hon. Friend makes a valid point and shows the linkage between the policies on housing benefit, which will put enormous pressure on people on lower incomes to move out of high-cost areas, and the impact of the changed social housing policy that the new Government are introducing, which will have exactly the same effect.

[Mr Raynsford]

I can match my hon. Friend's observation by referring to the experience in my constituency. In the SE10 postal district, which is at the heart of the Greenwich and Woolwich constituency, average market rents are estimated at £380 a week and 80% of them would involve a rent of more than £300 a week for a supposed social letting. No one in low-paid work would consider such a tenancy unless they were to have most of the costs covered by housing benefit. Of course, if that were the case, there would be a huge surge in the cost of housing benefit, which hardly tallies with the coalition Government's current objectives, nor the caps that they are applying.

Indeed, if people did move in on the basis that they would get most of their costs met by housing benefit, the double whammy from some sanctimonious Minister would be a call for further housing benefit cuts or caps on the grounds that people on benefit should not be able to live in such expensive areas. So who will occupy any homes that are built on that basis? Some may go, perfectly properly, to people in what is often described as the intermediate market. One of the more encouraging trends in recent years has been the development of mixed-tenure communities with opportunities for people to occupy housing on a range of different terms: social renting, intermediate renting, market renting, low-cost home ownership and outright ownership.

The whole point of such diversity is to provide for a range of needs and for people in different economic circumstances. It makes a lot of sense to provide intermediate renting solutions as part of mixed developments. However, it makes no sense to substitute intermediate renting for the social renting options that are available to those on low incomes. If in Greenwich, where social rents for council and housing association tenancies are currently in the range of £80 to £110 a week, all new lettings involved a substitution with lettings at 80% of market rents, the poor would lose out, and, even so, the scheme would probably fail because low-cost home ownership would provide a more attractive proposition to those who can afford a rent in excess of £300 a week.

Once again, we see a policy that has all the hallmarks of being made on the hoof. There is no serious analysis of its likely consequences, let alone empirical tests or pilots to see whether it works. It carries all the marks of the coalition Government proposing far-reaching and fundamental changes to institutions and policies that have potentially devastating consequences, with no supporting evidence base.

In their five months in office, the coalition Government have already had a disastrous impact on housing in this country. The recovery from recession has been stalled, house building is in crisis, social housing is facing a death warrant, private renting is being undermined by housing benefit cuts and hundreds of thousands of tenants are fearful about whether they can continue to afford their rent and many more are under the threat of having to move or facing the bleak prospect of homelessness. It is difficult to think of a more inept and deplorable record in such a short period of time. One can only hope that Ministers will come to their senses and recognise that this is no way to run housing policy. Our country and our people deserve better.

9.54 am

Tony Baldry (Banbury) (Con): Banbury and Bicester are both growing towns. I now have the 15th largest constituency in the country in terms of population, and, collectively, we most certainly are not nimbys. Planning permission has been granted for thousands of new homes in Banbury and Bicester, for the refurbishment of some 300 houses and for the building of some 700 new houses at the former RAF Upper Heyford site. In addition, Cherwell district council, Oxfordshire county council and Bicester town council are supporting the development of the new Bicester eco-town as an exemplar housing development, demonstrating low-carbon housing and a sustainable community.

We are waiting to learn whether a fully funded flood defence project, supported financially by the district council and businesses such as Chiltern Railways, will get the go-ahead following a public inquiry. If it does, that will enable a new regeneration scheme of mixed residential and commercial properties on the canal-side that runs through the centre of Banbury. Further to that, Defence Estates appears to want to release some sizeable land holdings on the outskirts of Bicester. If it is realistic about the price, the land could be used for shared equity housing and new social housing.

I am sure that Cherwell district council will want, wherever possible, to take advantage of the new homes initiative, a programme under which the Government will give local housing authorities a multiplier of 1.25 times the amount the occupants pay in council tax for six years, in addition to the council tax payment itself.

In my area, planning permission has been granted for hundreds of houses. However, at present, construction of new houses on new sites in my constituency is painfully slow. As a consequence, the prospect of wider community gains, such as a new community hospital in Bicester, has been delayed. Why is that? Simply, it is because house builders are hoping that the market for new houses will strengthen before they start to build, so we have a Catch-22 situation.

The first issue that I would suggest has to be grappled with is the availability of mortgages so that people can buy homes or get the funding for sensible shared equity schemes. Mortgage lending dropped to a 10-year low last month; it was the lowest September total since 2000. So while mortgage rates have dropped in recent weeks, banks and building societies appear to be continuing to tighten their lending criteria. The rates are being reduced but the criteria are being tightened, and the Bank of England has warned that lenders are expected to tighten further their criteria, making it even harder for people to get mortgage funding.

If people cannot obtain mortgage funding, they will not buy new homes and developers will not develop sites. That obviously will make life much more difficult for those who aspire to own their own homes. It also makes it much more difficult to provide new social housing. For some time, in areas such as mine, new social housing has almost entirely been a planning gain; a proportion of new social housing is built as part of large-scale new developments. Therefore, if one does not have significant new housing developments in Banbury and Bicester, one will not have the much-needed new social housing that goes with them. There is no new housing and no new social housing without new development.

What can be done to get the building societies and the banks to play their part in a housing recovery? No one is suggesting a return to the daft income multiples for lending that we saw several years ago, which certainly did not help anyone but simply led to artificially inflated house prices, but we do need the banks and building societies to be prepared to lend at responsible multiples to enable people to start buying their own homes again.

The banks' targets for lending for 2010 seem unchallenging. My first question to the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hazel Grove (Andrew Stunell), is what he and my right hon. Friend the Minister for Housing and Local Government are doing to encourage the banks and building societies to adopt lending criteria that will get the housing market going again. That must be in everyone's interests. Frankly, any discussion about housing numbers will be somewhat academic unless builders feel able to build houses for sale and buyers can access reasonable mortgage finance.

That takes us to the rest of the housing market: social housing and the private rented sector. I have enormous respect for the right hon. Member for Greenwich and Woolwich (Mr Raynsford) and his knowledge and expertise in this area. However, I must say to him very gently that I do not think it sensible to start using words like "sanctimonious" and "demented", given that the record of the last Labour Government on the housing front was one of lamentable failure. He started his speech by saying that he could never recall "a bleaker outlook" for housing. In fairness, this Government have been in office for just a few months—and that was commentary after 13 years of a Labour Government. Furthermore, that type of hyperbole will not help any of us, really.

Housing figures for the last year of the Labour Government fell by nearly a quarter on the previous year, with only 128,680 new properties becoming available. That was the biggest decline since the Department for Communities and Local Government began collecting data 10 years ago, when it was part of the Office of the Deputy Prime Minister. Moreover, that decline was against a Labour target of 240,000 new homes, which was itself pretty modest. Also, waiting lists for social housing doubled under Labour to five million people, so in fairness it is not for ex-Labour Housing Ministers to be so censorious.

We started off with an inheritance of a huge waiting list for social housing and huge pressures on public finances, and they are both inescapable realities of today. Consequently, it is inevitable that public investment will be limited, although I understand that £1.1 billion will still be allocated to social housing each year for the next four years. Clearly, all of us have to find new ways to try to ensure that public investment goes further. Why have a record of what we would like to have in halcyon days if it is not possible to deliver?

Every Member of Parliament, whether they represent a constituency in inner London or a constituency such as mine, would acknowledge that there are great pressures on social housing. Furthermore, I am sure that pretty well every colleague in this House will acknowledge that one of the predominant issues in our constituency surgeries is the desire of people to access social housing and to have—understandably—a decent home.

At present, social housing is provided by a number of housing associations, and there is a private rented sector with a multiplicity of private landlords. However, very few sizeable businesses have moved into the private rented sector. Why, for example, have the pension funds not become more involved in investing in becoming private sector landlords?

As I understand it, local authorities will be able to borrow against the income that they attract from the new homes initiative to help fund new housing projects, and to encourage those with private finances and property developers to become involved. I say to my hon. Friend the Under-Secretary, who will respond to this debate, that we have heard a lot from Ministers about the new housing bonus. However, we have not had as much detail as I suspect local councillors, council officers and others would find helpful about what local authorities are expected to do to respond to what seems to be a Government offer for local authorities to start to behave in a different way, in terms of local authorities being a catalyst for getting new housing projects going on their own patch.

For many years, local authorities have certainly been planning authorities, and they have sought to encourage registered social landlords to become involved with major new housing developments, but what is being proposed is something new for local government. As my hon. Friend the Under-Secretary will know, it sometimes takes a little time for councillors and council officers to realise what is being asked of them and what they are being invited to do, and if local authorities are being asked to approach local housing supply and housing projects in a different way, it behoves the Government to ensure that the new housing bonus, including how it will work, is fully understood. For example, will local authorities be allowed to borrow against that new housing bonus? If the anticipated bonus will run for six years, can a local authority borrow all the money up front? Will there be freedom to do so? What will the Treasury say about that, and so forth?

There are a number of other issues that we must face up to. I am conscious that others wish to speak in this debate, so I will try to keep my comments short. However, we need to be adult about this. At present, those who access social housing usually have security of tenure for life; indeed, in certain circumstances, they can pass on their tenancy to the next generation. Generally, they also have rent levels that are markedly below those being paid in the private rented sector. By contrast, those in the private rented sector often pay significantly higher rents and have to be assisted by housing benefit, but often they have a security of tenure that is no greater than an assured shorthold tenancy of six months.

In addition—I suspect that this applies to the constituencies of most colleagues, given the way that housing allocation policies work—it is now often extremely difficult for working families on modest incomes to access social housing. A working family—a husband and wife both at work on modest incomes, with two children—have little choice nowadays but to rent in the private rented sector, with significantly less security of tenure. For those reasons alone, and particularly because of that disparity, there are issues that need to be properly debated. As I understand it, what my right hon. Friend the Minister for Housing and Local Government is seeking to do, in part, is remove some of the types of distinctions that have, over time, grown up almost by accident as we have developed housing policy.

[Tony Baldry]

There are a number of questions that are genuinely about all of us wanting information and knowledge. For example, I see that my right hon. Friend intends to introduce a new tenancy for social tenants called "affordable rent". As I understand it, that will effectively almost give a person a short-term tenancy as a social tenant, but there are a number of issues to consider.

At the moment, if one becomes a tenant of a social landlord, one is generally enabled to remain a tenant of a social landlord for as long as one wants. Of course, that is one of the reasons why people are understandably very anxious to be able to access a social housing tenancy; they know that they will then be able to remain in that sector pretty much for as long as they want. However, what happens when someone ceases to be a tenant of an affordable rent tenancy? Do they remain in the social sector? Or what then happens in terms of definitions of statutory homelessness and so on?

We must engage collectively with the substantive issues and not the non-issues, but that is not a criticism of colleagues in the House today. Whether this measure is a new homes "bonus" or a new "homes" bonus is a matter of fact; it should not require a whole load of debates across the House. So I just say to the Under-Secretary that the more the Government, and in particular my right hon. and hon. Friends in the Department for Communities and Local Government, can do to explain all this, the more we will be able to focus on the substantive issues, rather than debating things that are fanciful.

Mr Andrew Smith: The comments of my honourable colleague from Oxfordshire about the availability of mortgages and the need for more detail on the housing bonus were well made. I am not quite clear whether he supports the idea that because some people in the private sector are insecure, it is a good idea to make people in the social sector insecure. If he supports that, does he accept that it will have appalling consequences on families? We could all go round an estate and see which houses have shorthold tenancies, because the gardens are a mess and the houses are dilapidated. Does that not threaten to have an awful effect on communities?

Tony Baldry: The point that I am trying to make is that at present we have an artificial division in the housing market. On housing estates in the right hon. Gentleman's constituency and mine, families that would have been the anchors of traditional 1950s estates on which those of our age grew up—working families from Cowley and so on—find themselves in an insecure position as assured shorthold tenants. Whether the categories of tenancies and tenants are endurable in the 21st century is a legitimate debate. I am trying to understand exactly what the Government are proposing. I am seeking knowledge, because our councillors and constituents will soon come to us asking for an explanation, and I would like to be able to provide one.

That takes me to housing benefit, and I have some questions for my hon. Friend the Under-Secretary. I have heard my right hon. Friend the Minister for Housing and Local Government say that the Government intend to increase rents in both the private rented sector and, particularly, the social sector, to nearer 80% of market rents, but families will be able to access housing benefit. I am not clear about this; I need an explanation of the suggestion that a greater return from housing investment would attract more investors from the private sector—banks and so on. That may be a worthwhile objective, but if that is funded by housing benefit, I do not understand how it will reduce the housing benefit bill. I want to understand how those two policy imperatives relate.

When public finances are tight, we cannot pretend that we can do as Harold Macmillan was able to do in the halcyon days of the 1950s and build as many new homes as we want. Sadly, that option is not available to us, but if we are not to have a frustrating non-debate, the more information that the Government can provide about what is intended, the better.

Mrs Madeleine Moon (Bridgend) (Lab): Will the hon. Gentleman give way?

Tony Baldry: I am about to finish, because I know that other right hon. and hon. Members want to speak.

The Government have given a lot of information about the new homes bonus, and I think we all understand it. What we now want to understand is: what is intended for the relationship between social tenants and private sector tenants; how the Government will go forward; the nature of the various new tenancies, including under the affordable rent scheme; and how housing benefit rules will relate to those who pay higher rents, so that we can attract investors into the housing market.

10.14 am

Mr Clive Betts (Sheffield South East) (Lab): The Government's comments on housing in the spending review suggest that the most pressing problem—indeed, almost the only one—is the increased bill for housing benefit. I congratulate my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford) on securing this debate, and on the usual expert way in which he dissected the Government's policy and its lack of an evidential base.

The housing benefit issue has arisen not because more people have claimed it over the past few years, but because the amount being claimed has risen as rents have risen. Rents have risen because of a shortage of housing in this country, which is the same reason why house prices have risen in the private sector. The Government should address that fundamental problem, and not try to find appalling ways of cutting benefits and forcing people into housing difficulties. I shall give two examples.

The Deputy Prime Minister was upset in the Chamber yesterday when the words "socio-economic cleansing" were used. Undoubtedly, there will be a substantial dispersal of families from the centre of London to the outer boroughs because of the Government's policy of housing benefit not covering private rents to the same degree as previously. That policy will apply not just in London, and the Deputy Prime Minister should be upset because the problem will also occur in Sheffield. It will not be just the overall target figures for the maximum amount of housing benefit that can be paid that will have an impact, it will be the 30th percentile because of the large disparity of rents in cities such as Sheffield where people will be dispersed from the affluent

parts in the Deputy Prime Minister's constituency to the rest of the city. Those people will not be just the workshy, feckless families that the Government like to stereotype, but people in professional jobs who lose their jobs in the next few months and also lose their homes. That is the reality of the situation.

My second example is the very unacceptable policy—I say no more than that—of dealing with people in under-occupied properties by telling them that the size of property that may be funded by housing benefit will be limited. Let us take a couple in their late 50s who have brought up their family, who have now left home. That couple may be in work, but planning to retire at 65 and to move at some stage to a pensioner's bungalow if they can find one. They will want two bedrooms because their grandchildren come to stay, and that is perfectly reasonable, but there is a shortage of bungalows, so they will have to wait some time, even when they have retired. Suddenly, they become unemployed—that is a prospect that will hit many people in the next few months—and cannot afford their rent because it is no longer covered by housing benefit. They have a family home in which they have invested and which contains their furniture and family memorabilia. They may have a garden that is their pride and joy, and which they use for recreation. Suddenly, they will be moved to a one-bedroom or two-bedroom maisonette or flat somewhere with the all the costs involved at the very time that they lose their jobs.

Such family situations will occur, and if people move, do they move to a property where the new rent will be 80% of market level? Will the Minister explain whether that will apply to transfers for existing social housing tenants, and to mutual exchanges and assignments? Will it be covered by housing benefit in total, in which case, will the Department for Work and Pensions pay if extra money comes into social housing through the introduction of the new higher rent levels? That is all unclear, and it is incredible that such a major housing policy is introduced with a few words in a spending review.

What do 80% rent levels mean? In his statement, the Chancellor said:

"New tenants will be offered intermediate rents". [*Official Report*, 20 October 2010; Vol. 516, c. 953.]

Does "will be offered" mean that they will have a choice about whether they accept those rents, or will they have to have them? Will landlords have a choice? "Will be offered" seems to imply that all new tenants will have such rents, but the spending review document that the Treasury produced says:

"Social landlords will be able to offer".

It introduces the word "able", so what is the Government's policy? Will social landlords have to introduce rents at that level for new tenants, or will they be able to offer them if they choose? What will happen if they choose to do so?

We understand that there will be a cut of at least 50% and probably more in the amount of money available from the Government for social housing through the social housing grant. That extra money from rents, presumably partly funded by the DWP, is supposed to fill the gap. What is the situation regarding social housing grant? If a social landlord decides that they will not increase rents for new tenancies to the new 80% of market level, they will presumably forgo some of the money that they could otherwise have received to build new social housing. That is apparently the purpose of increasing rents to that level. If they do that, and if in future the option is available to keep rents at the current level and tenancies on the same basis for new tenants—we do not know whether it will be available—will they forgo access to a social housing grant? Will availability of the social housing grant be dependent on landlords being prepared to bring in new rent levels and tenancy conditions for new tenants? We need some clarity on the matter as it is unclear.

A policy has been introduced through a few comments in the spending review. It has significant implications for housing but it has not been thought through—at least, if it has been thought through, we have had no explanation about how that was done. We need a clear explanation from Ministers about whether it will be compulsory for landlords to introduce those rents, whether that will have an effect on housing benefit, whether the rules will apply to existing tenants who move, and whether the policy will be linked in some way to access to a social housing grant, whether landlords introduce the measures or not. Those are key questions that have received no response.

The Government have told us that they do not have housing targets—apparently they are out of fashion, along with regions and one or two other things. However, when the Housing Minister came to the Communities and Local Government Committee on 13 September, he accepted an important point. Success will be achieved by building more homes than the Labour Government built before the recession; failure will be building fewer homes. Therefore, the target is to build more than 200,000 homes. That is what was happening previously, so by default, that is the new target introduced by the Government.

We all know, for obvious reasons due to the recession, that there has been a fall-off in house building. We must find appropriate ways to get that building back. The Communities and Local Government Committee is conducting an inquiry into the abolition of regional spatial strategies, and housing targets at regional level being cascaded down to local level. I do not want to prejudge the outcome of the inquiry, as that would be wrong. However, we have received a lot of evidence from people who were unhappy with the operation of the regional spatial strategies. People felt that they were heavy handed and did not take account of local needs. There was also a lot of concern that the Government had abolished the strategies without thinking through the replacement.

One telling comment was made about the new homes bonus which, importantly, we understand is for every new home, not just additional homes. If the new homes bonus is set at a level that would achieve the number of homes needed in this country, even on the Government's new target figure of over 200,000, it would not be affordable given the money that Ministers have indicated is available. If the new homes bonus is set at an affordable level, it would not achieve the number of new homes necessary. There is a disjunction between what the Government think they can offer, and what is likely to be achieved.

A letter from the Secretary of State sent to local authorities last week stated that the new homes bonus may be paid not on the basis of homes built, but rather on consents given. Is that the case? If it is, we could find

[Mr Clive Betts]

that a lot of consents are given in areas where homes will never be built. Money will be spent but nothing will be delivered. That situation also needs clarifying.

The policy may not have an immediate impact because, as we all know, there is a shortage of demand at present. People are concerned about their futures, living standards and jobs. There is a fall-off in demand for housing; prices have been dropping recently. The major concern about the availability of mortgages has already been mentioned. According to the Council of Mortgage Lenders, some of the proposals from the Financial Services Authority may have even bigger implications for mortgage availability in the future.

Let us assume that in three or four years' time, economic confidence eventually returns, families feel able to return to the housing market and there is mortgage availability. If over the years, fewer and fewer planning permissions have been awarded because of the change in Government policy, we will see a massive spike in house prices and we will go back to the same problems that we hit in the 1990s. In five years' time—I am sure that the Minister will be conscious of the relevance of that date for the Government—we could have a situation where fewer homes, in particular affordable homes, have been built, prices have started to rise sharply and rents in the private sector and elsewhere have gone up. People's misery will have been compounded by the changes to housing benefit. That is not a happy record on which to fight an election.

10.24 am

Mr Mark Field (Cities of London and Westminster) (Con): I congratulate the right hon. Member for Greenwich and Woolwich (Mr Raynsford). As he rightly says, we have not so much crossed swords as spoken on many occasions on various Bill Committees and in Westminster Hall. Like him, the issue of social housing lies close to my heart. On one level, I was disappointed to see that the capital grant funding has been halved, although I entirely understand the reasons behind the Government's decision given the deficit that we face—I suspect that the right hon. Gentleman will not follow me on that.

I am delighted at the introduction of further rent flexibility to generate a greater borrowing capacity. I take on board the point raised by the hon. Member for Sheffield South East (Mr Betts) and I hope that the Minister will indicate whether the powers are mandatory or, as I suspect, part of the panoply of options open to housing associations.

In January 2009, I initiated a debate in Westminster Hall that highlighted the need for social landlords to be allowed to use their stock more flexibly. At the time, I argued that the current economic climate—which I suspect has not changed much over the past two years—provided us with a once-in-a-lifetime opportunity to create a more flexible rental market. I advised:

"Housing associations are often frustrated that the income they receive from renting a property barely covers maintenance costs and that the rental income from a four-bedroom house is only slightly more than that from a two-bedroom flat... A relaxation in rent policy will increase incentives to build to higher standards and reflect the relative value of a social tenancy."

My hon. Friend the Member for Banbury (Tony Baldry) referred to that point in his comments.

"Rent differentiation would also provide an incentive for a couple to downsize when they no longer need to stay in a large property when their children are grown up. That would hopefully free-up valuable family-size accommodation to address the problems of overcrowding."—[*Official Report*, 14 January 2009; Vol. 486, c. 76WH.]

Such problems of overcrowding are particularly acute in the middle of cities such as London.

I went on to use the example of the housing arrangements of one of my constituents who had recently passed away. She lived as a secure tenant on the Peabody Wild Street estate, at a rate of £75.50 a week, which included services. That estate is moments away from Covent Garden piazza, and the market rent for such a flat would be around £320 a week, probably more by now. When she passed away, the flat was re-let at £116 a week to a tenant with support needs. The difference between the social and market rent was £200 a week, or £10,000 a year. That situation has been worsening over the past couple of years.

With the neediest households receiving priority for housing in my constituency and many other constituencies in the capital, my worry is that such places have become home almost exclusively to either the super-rich or the very poor. That polarisation is not a healthy state of affairs. I do not want to be too London-based; I am sure that the same point applies in Sheffield and many other big cities. All hon. Members will have constituents who earn multiples of the average national wage, who cannot get on the property ladder or afford inner-city rents, but who are regarded as far too wealthy to qualify for social housing. The gap between social and market rents and the inflexibility of the social rent structure has meant that the cost of renting in London remains a significant issue.

I accept that some of the Government's policies are still in gestation. One hopes that they will take on board some of the concerns reiterated over the years by myself and the right hon. Member for Greenwich and Woolwich. Too often in these debates we end up talking about the interests of existing tenants who are understandably anxious about the idea of their situation changing. In doing so, however, we ignore those less vocal people who make huge sacrifices of time and money to commute to their jobs in the inner cities, or those whose families have been in a local area for generations, but who are forced to move away because of the unaffordability of city centres, particularly in London. It is right to identify the interests of those who will be affected by the new policy, but we should not forget those who have suffered under the existing regime.

The polarisation of our inner cities is a direct result of decades of well-meaning Government intervention from parties on both sides. If some of the Government's proposals make it easier for young, hard-working people on middle incomes to afford to live in the centre of London, that is a good thing. This week, the right hon. Member for Barking (Margaret Hodge) warned that the Government's policy will create middle-class ghettos in our inner cities. In truth, the young middle classes have been virtually excluded from my constituency over the past decade. We have the absurd situation where the taxpayer massively subsidises the unemployed to live in the centre of London, while working people pay extortionate amounts to commute to their jobs because they find rent levels unaffordable in the centre of town.

Some of the G15 housing associations have come up with a number of new schemes. I hope that some of that innovation will allow young people and young families, who are particularly important, to live at affordable rents while being able to save so as to move to another property or perhaps to buy a share in one in the future.

However, I also accept that the speed at which the cap is being put in place perhaps ignores some of the logistical problems for local authorities—huge logistical problems for some local authorities—in arranging new accommodation, but also coping with a sudden influx of new claimants. About 80% of the people living on housing benefit in my constituency receive a sum in excess of the housing benefit cap. I suspect that that is relatively unusual, but we are still talking about relatively high percentages even in other parts of the capital. For those individuals, this is an incredibly unsettling time. For the areas to which they will move, there will be huge social upheaval, which will affect health services and education as well as, obviously, the basic housing in the locality.

It is likely that, given the option of being able to rent out central London properties at 80% of the market value, social landlords will, to a large extent, choose to do so. At one level, that is no bad thing, because it will allow them to invest in new stock and improve the derisory levels of house building seen in recent years, but equally, as a number of hon. Members pointed out, some unintended consequences may come into play.

Mr Raynsford: I will not detain hon. Members, because others want to speak, but will the hon. Gentleman clarify whether he agrees with my view that it is right to encourage tenure diversity, as I said in my speech, but it is wrong to substitute the new near market rent tenancies for social tenancies at low rents, because then the poor will be excluded?

Mr Field: I think that there is a real risk of that. We want diversity; we want diversity of communities. The right hon. Gentleman is right to say that the issues will have to be properly identified and nailed down before we move forth.

I appreciate that other hon. Members want to speak, so I shall just make two quick observations. With regard to provision of housing by my own local authority, Westminster city council remains confident that local authorities can deliver more affordable housing, even in a period of economic austerity, provided that they are able to think and act creatively. For too long, as we know, local authorities have over-relied on section 106 agreements and registered social landlords to deliver social housing. In that respect, the establishment of the Westminster Community Homes charity locally and its development arm, Westminster Homes Development, will be critical.

My other observation, which slightly concerns me, is that a number of local authorities look on the revolution that is about to take place as an opportunity to welcome the practice of housing finance being treated as off balance sheet, bringing Britain into line with much of the rest of Europe and allowing local authorities greater flexibility to borrow against the existing stock. I confess that I would not support that. I put on record in this Chamber as long ago as 2007 my grave reservations about off balance sheet financing for private finance initiative and public-private partnership projects by the previous Government. The cost of those will become apparent over the next 25 years. At a time when we need to improve our infrastructure, we have huge costs for schools, hospitals, prisons and road building that have already been put in place. I therefore think that we should above all try to avoid that technique.

Mr James Gray (in the Chair): It may be helpful to hon. Members to know that I intend to call the shadow Minister at 10.40 am.

10.33 am

Mrs Madeleine Moon (Bridgend) (Lab): I apologise to hon. Members, because I have another appointment that I cannot get out of, so after making my presentation, I must leave. I request that hon. Members accept my apology for that.

The hon. Member for Banbury (Tony Baldry) has said that it is in everyone's interest to keep the housing market moving and commented on the huge waiting list for social housing in his constituency. In some areas of my constituency, the wait for social housing is up to 14 years; in one of my local towns, people can wait 14 years to get into the social housing market. The problem has been exacerbated by the selling of council housing, which has reduced the number of houses locally. We do not have any council housing stock. We had a housing stock transfer and all the stock went to a social housing landlord—Valleys to Coast. I met with it recently to discuss the success of the public-private approach to funding housing associations and how that could be undermined by a combination of the drastic changes to housing benefit and the knock-on effect on the confidence that lenders will have in the social housing sector. The success is based on housing associations having been previously perceived to present a low risk to lenders.

In a letter to my local housing associations, the Council of Mortgage Lenders has said that it estimates that

"housing benefit typically underpins 60% of rent income for housing associations."

That means that housing associations have a steady and robust income flow, which helps them to attract new investment. The CML has stated categorically to my local housing associations that changes in the payment of housing benefit

"will result in a loss of confidence and appetite for lending to and investment in the sector."

The proposed changes mean a squeeze on everyone concerned: the new tenant facing a rent increase to up to 80% of the market rate, current tenants coping with the impact of the benefit cap and housing associations facing difficulties in securing investment because of a loss of confidence in their sector. Confidence in the sector is being undermined, yet somehow the Government believe that thousands of new homes will be built in the next four years. In my view, the cuts will fundamentally undermine confidence in a successful sector and condemn thousands of tenants to a lifetime of poverty. The chief executive of the National Housing Federation summed up the result of what has been announced by saying that

[Mrs Madeleine Moon]

"it shows that providing affordable housing is no longer a government priority."

Before I came into the House, I worked for many years in social services. I am ashamed to say that I remember when social workers took children into care because their families were homeless. I never want that to happen again, but I am now living in fear that it will.

One of my constituents took the challenge of moving out of social housing and took out a mortgage with Redstone. When he took it out, it was not at a bad rate—5.15%. He then, as happens to many people, became unemployed. He lost his job and has struggled since to find employment. Unfortunately, his payments have now been reduced because of the change in mortgage interest payments. His mortgage payment is £158 a week, but he now receives only £94 a week, leaving him with a weekly shortfall of £63 a week. However, his benefit support is only £64 a week. He has been told by Jobcentre Plus to go to the mortgage lender. The mortgage lender has sent him back to Jobcentre Plus. He is trapped. He is unable to sell. The mortgage cannot be met. He faces repossession and losing his home. I have written to Redstone, asking what it can do to help.

I used to spend much of my time in my surgeries dealing with people who were desperate to get into social housing. Increasingly, I see people who have made a decision to try to get into the market living in fear of losing those market-based homes because they are in a housing trap. That is what worries me most. At every turn, the lowest-income people in this country face a trap that will lead them into homelessness. Labour Members are desperate to avoid that. I hope that the Government are listening and will address the housing needs of those families.

10.39 am

Alison Seabeck (Plymouth, Moor View) (Lab): It is a pleasure to be called to speak under your chairmanship, Mr Gray, for the first time in my new role.

I start by congratulating my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford) on securing the debate on a matter of such fundamental importance to our country and local communities.

Let us be clear: there is a shortage of supply. We have been through the worst recession since the 1930s. However, in the teeth of the global recession, the Labour Government supported the building of 50,000 homes in the first six months of this year through the Homes and Communities Agency.

The housing sector has been like a patient on life support—but this month the Government pulled the plug. In the comprehensive spending review, they have failed to offer the sector any sense of direction. Instead, we have had the revocation of planning rules, whereby hundreds of thousands of much-needed homes will be scrapped, while the new homes bonus scheme has been long delayed. Given the time lag inherent in the eventual payment arrangements for that policy, when does the Minister anticipate that the first foundations of such homes will be laid?

The Government have shown over the past few months that they have the capacity to destroy confidence in the housing market, to reduce the number of new homes being built and to eviscerate the very concept of social homes. Rent at 80% of market rates is simply not affordable for many hard-working families on low incomes or, indeed, for pensioners. Many families will not accept new, more expensive and less secure tenancies, leaving them with the unpalatable choice of remaining in overcrowded accommodation. Does the Minister believe that that would represent a fair deal for tenants? Tenants do not seem to matter any more.

If the economy is to grow—the hon. Member for Cities of London and Westminster (Mr Field) highlighted the importance of growth—we need to ensure that people can be mobile. The changes proposed by the Government represent a significant block to moving by choice to access new jobs. I said "moving by choice" deliberately—we will see people having to move, because they have no choice, to areas of poorer housing, with few job opportunities, since that is where all the cheap accommodation will be. According to London Councils' briefing on housing benefit changes, local authorities are already looking to the outer ring of London and beyond for suitable temporary accommodation, moving families away from the areas that they know to bed and breakfasts in seaside towns—something we have not seen since the early 1990s.

My hon. Friends cited many examples of the impact of current and future policies, and they all supported the general thrust of the speech made by my right hon. Friend the Member for Greenwich and Woolwich that we need to have a viable intermediate and social housing sector to meet needs. He also highlighted the month-on-month improvement in sales up to the general election, followed by the fear of a double-dip recession as the implications of Government policies are understood in the sector.

The hon. Member for Banbury (Tony Baldry), in his genuine search for knowledge and answers to questions, highlighted not only the importance of the good use of public sector land in his area, but, importantly, the issue of mortgage funding and the concern that there is a narrow view in the Financial Services Authority that is not allowing sensible risk or flexibility in the lending sector.

My hon. Friend the Member for Sheffield South East (Mr Betts) spoke of others' expertise, but his contribution to the debate gave us the benefit of his own. His unpicking of the detail of the housing benefit and its associated costs was forensic, highlighting the confusion in the advice given in Government documents. I hope that we get some prompt clarification of some of his points from the Minister.

The hon. Member for Cities of London and Westminster also mentioned the uncertainty about the precise implications of Government policy. He touched on repairs and maintenance as well, but my understanding is that the money raised from the new higher rent will not be earmarked for maintenance. If that issue is not tackled, we will see a drift back into a huge backlog of disrepair. He also mentioned housing finance being treated as off the balance sheet—I would welcome the Government's clarification on that position.

My hon. Friend the Member for Bridgend (Mrs Moon) made a powerful speech highlighting the personal misery that can be caused by Government policies and the housing trap.

Every stone that I have lifted since coming into my post has revealed another issue that does not seem to have been understood or addressed by the Government. The Minister must see the contradictions between the different strands of his Government's policies. He must see the damage that his policies are doing to the aspirations of families who just want to secure a roof over their heads.

Many right hon. and hon. Members value the diversity of their constituencies—a point made by the hon. Member for Cities of London and Westminster—and they know that the changes advocated by the Government and the Minister will tear it apart, through a housing and benefits policy that will, essentially, ghettoise those in social housing and on low incomes. We need to value mixed communities and the Government's policies do not deliver that.

To return to tenancies before I wind up, the Minister was once a vocal supporter of secure tenancies and low social rents. We have to ask, if there were a Conservative majority Government and he were still in opposition, would he have kept true to his earlier beliefs? We know what those beliefs were—the Minister was a serious, cautious, discriminate and highly selective signer of early-day motions while in opposition. He signed more than 2,800 in the last Parliament and, in 2008, put his name to early-day motion 355. Perhaps he does not recall it, but let me quote it:

"That this House points out the urgent need to boost the economy by a massive programme of public investment to improve existing council homes and estates and build a new generation of first-class council housing to provide secure tenancies and low rents"—

sentiments supported by many hon. Members in the Chamber.

The Minister has a waiting list of around 9,000 in his own authority. The average weekly rent for a property there is about £54, yet he now advocates rents at 80% of the market: an increase in London of about £200 a week for a two-bedroom property and of about £50 in Hazel Grove. How many of his constituents will be able to afford to remain living in his constituency? Perhaps his majority, too, is being gerrymandered?

As a member of the Government, the Minister will have to vote in favour of the removal of the security of tenure. He will oversee a 60% reduction in the Government's funding for new affordable homes. Call it a U-turn or a volte-face, but whatever we call it, we know the decision is wrong for this country, making a mockery of the phrase, "We're all in this together."

No, it does not really matter when the Minister changed his mind. Was it before or after the coalition discovered that the debt was lower and economic growth higher than they expected when taking office? Was it before he ceased to be an Opposition MP or, as I suspect, when the chance of cosying up to the Secretary of State for Communities and Local Government proved too much to resist?

Can the Minister confirm, in addition to responding to the excellent points made by right hon. and hon. Members, that the 67,000 homes to be built in the next two years are in fact a carry-over from the previous Labour Government's plans? They are Labour's houses. Can he confirm that the remaining 80,000 homes that the Government hope to build will not be for social rent at all and that to call a rent of 80% of the market rate affordable is disingenuous? Can he confirm that any lack of take-up of the new tenancy will create a shortfall in the Government's funding plans for new housing? Can he confirm that the revocation of the regional spatial strategies will cause the cancellation of more than 300,000 planned homes between now and next year, as the National Housing Federation suggests?

What is the Housing Minister's plan B? According to the response that he made to the Select Committee on Communities and Local Government, it is to keep upping incentives until the local authorities bite. At what point will a decision be taken to increase the incentive? What is the figure for new builds that will give rise to a review of the payment? What hope does the scheme have if local authorities and, to a certain extent, developers know that Ministers will increase the money that they receive if they simply wait? The consequences of the Government's actions will be felt for a generation. I look forward to the Minister's response.

10.48 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): A lovely bit of slapstick—I really enjoyed that—but we should start with a few facts. In 1997, the hon. Member for Plymouth, Moor View (Alison Seabeck), looked on the outgoing Government's record as a disaster, as I did. They had built 830,000 homes but sold 1.2 million, and 400,000 homes were lost to the social rented sector, which had a waiting list of just more than 1 million. The Labour party and the new Labour Government said that they would tackle the situation. They built 377,000 homes for rent and 182,000 homes for the low-cost home-ownership market—a total of 559,000 homes for the social sector built during Labour's years in office. However, they sold 605,000 homes under the right to buy and other legislation. During Labour's period in office, the number of homes in the social sector reduced by 45,530.

The right hon. Member for Greenwich and Woolwich (Mr Raynsford) said that the priority, as regards social housing, should be the very poorest, so we should judge Labour's record on what it did to the social rented sector, and exclude low-cost home ownership. If we do that, we find that the number of homes in the social rented sector during Labour's period in office fell by 227,000. Fewer homes were available for rent, so I will not take the characterisation offered by the right hon. Gentleman, who is an expert in many things, but who has forgotten how to count.

Mr Raynsford: Will the hon. Gentleman please tell us how many of the homes he mentioned were uninhabitable because of the appalling condition they were in, and how many homes were improved under the decent homes programme? Will he tell us about the millions of homes in decent condition that are now available for social rent because of investment by the previous Government?

Andrew Stunell: I welcome that, and I am happy to report that we are continuing the investment in the decent homes programme.

Let me get to the right hon. Gentleman's central proposition, which is that there was somehow no evidence of a need to change housing policies. The previous

[Andrew Stunell]

Government's housing policy depended on continuing with the claim that they had dealt with boom and bust. As it turned out, they had dealt only with the boom. There is no public money available—those were the words of the outgoing Chief Secretary to the Treasury, the right hon. Member for Birmingham, Hodge Hill (Mr Byrne). Indeed, during this debate, the Government will have borrowed another £24 million to fund the services that we deliver, but for which we have no income. An extra £400 million will be borrowed today, and another £400 million extra will be borrowed tomorrow and every day this year. This year, £150 billion will be borrowed. The money is not there.

What about targets? We have heard some nonsense from the Labour Front Bencher about thousands of homes having been cancelled. What she actually means is that many of the homes in the Labour targets have not been built. Last year, when Labour was in power, 78,000 fewer homes were built than were in the Government's target. Only 57% of the target was met. We know, therefore, that the Opposition's figures depend on an economy that Labour bust, on public money that we do not have, and on public targets that did not work.

Alison Seabeck: Will the hon. Gentleman give way?

Andrew Stunell: I am happy to give way to the hon. Lady and I am listening out for her apology.

Alison Seabeck: Will the hon. Gentleman confirm that 70 local authorities have withdrawn planning applications on the basis of a letter sent to them by the Secretary of State?

Andrew Stunell: That, of course, is what was wrong with the targets: they built up resistance in local communities—although not in all of them, of course; colleagues in Yeovil and Chesterfield could not build the houses that they wanted because of the absurd national targets.

The hon. Lady quoted early-day motion 355. Outside Westminster tube station, the National Housing Federation has posted a plea to us all for more affordable and social homes. I want to say very clearly—I shall be saying this on many other occasions—that when it comes to producing more affordable and social homes, a party that finished up with 45,000 fewer such homes than it started out with 13 years before is not in a good position to criticise the coalition Government. When we go in five years' time, we will leave more homes in the social sector than we started with.

The National Housing Federation briefing, which hon. Members have perhaps drawn on, says:

> "Our modelling suggests that the Government's claim that up to 150,000 homes will be delivered over the four year period is achievable",

and it adds:

> "If one in four new lettings across the sector…are made at 80% of market rent".

The reference to "one in four" is interesting. Opposition Members imagine that the Government will impose a new model compulsorily on every housing authority. That is absolutely not the case. If the National Housing Federation, which is, let us face it, not a particularly good friend of the Government at the moment, says that we can get our 150,000 homes with a quarter of rents at an affordable level, it ill behoves Opposition Members to spread lies and deceit about the issue.

Mr Betts: Can we make sure that the Minister is telling the whole truth about this? The National Housing Federation said that the figures might be achievable if one in four new tenancies was let under the new rents, but it also said that all the new houses that were built—the whole 150,000—had to be let under the new rents. Effectively, on the Minister's definition that we should treat as social houses only those houses that are let on existing tenures at existing rent levels, no new social houses will be built under the programme proposed by him and his colleagues. Is that not true?

Andrew Stunell: I do not really understand the hon. Gentleman's point, because—*[Laughter.]* The reason I do not understand it is that it is complete nonsense. The homes that we are building will be available for affordable rent, and we have already set out some of what we want to do. However, I acknowledge straight away that hon. Members could have done with more detail, which is why we are producing a consultation document—hon. Members should note the word "consultation"—to set out many of our proposals and some options, and we are inviting opinions about how legislation should ultimately be shaped.

I was perhaps a little over-exuberant earlier when talking about how the new homes bonus will apply. It will apply to conversions, change of use and other net gains. I am quite content to confess that my adrenalin got the better of me earlier.

I need to deal with some of the other points made, so let me pick them up as best as I can. The hon. Member for Banbury (Tony Baldry) made some important points about mortgage availability. The crucial task for the Government is to ensure that we have a sustainable and growing economy. That is absolutely at the heart of the comprehensive spending review.

Let me make it clear to colleagues that the total being invested in infrastructure is being maintained. We have reprioritised expenditure on measures that will support growth and investment in jobs—particularly green jobs—and in industry. That has come at the expense of the traditional amounts spent on housing investment. All Members probably wish that we had a larger housing programme, but our programme will deliver more homes in the social sector in the next five years than Labour did in its 13 years. That is bound to be true, given that the number under Labour fell by 45,000.

My hon. Friend the Member for Cities of London and Westminster (Mr Field) made it clear that this country has created a housing tenure model that makes little sense. On the one hand, we have people who are excluded from any opportunity of getting social housing. The hon. Member for Plymouth, Moor View, correctly said that 9,000 people in Stockport are waiting for homes. She could have added that there are only 11,000 social homes to go into. People whose names are on the list have no realistic expectation of ever getting into council housing.

We must build more social homes, and we will be building more social homes. We must use the ones we have more efficiently, and we are providing local authorities

and housing associations with a way to enable them slowly to do that when homes are re-let. We are, of course, also trying to ensure that the sign outside the House in Westminster tube station is responded to, not just through an early-day motion, but through a policy that delivers more social and affordable housing, exactly as requested.

Work Capability Assessments

11 am

Natascha Engel (North East Derbyshire) (Lab): I am delighted to have secured this Adjournment debate on the work capability assessment, and even more delighted that it takes place under your chairmanship, Mr Gray. It is the first time that I have served under your chairmanship, so I am looking forward to the next half hour.

Before we launch into a massive programme of moving people from incapacity benefit on to employment and support allowance or jobseeker's allowance, with the launch of the pilots in Burnley and Aberdeen, it is a good time to take stock of where we are, what has happened in the past and where we will go in the future. One of the things that most alarms me is the speed at which we are making the reforms. They were of course introduced by the Labour Government. The change from incapacity benefit and income support to employment and support allowance, with the support group and the work-related group, was introduced in October 2009 by Labour. We fully support all those welfare reforms. However, I would like the Minister to respond on a question of nuance and of how quickly and in what context the reforms are being made.

It is also important to highlight the reason why we moved from incapacity benefit and income support to employment and support allowance in the first place. It was because a large number of people were languishing on passive benefits and had little contact with anyone in their area who could help and support them to move from passive benefits into work. Hon. Members on both sides of the House have always agreed that work is still absolutely the best way out of poverty.

The headlines in the newspapers about individuals who get up to £10,000 of benefits a week are headlines because such cases are extremely rare. Most people on benefits, whether passive or active, are poor. We call them vulnerable; we mean poor. Those people are not rich. They are not wealthy. Their poverty is a different kind of poverty, especially in the case of someone on a passive benefit that does not require them to go to a jobcentre every week to sign on and have a face-to-face conversation with a personal adviser. It is a poverty not just of resource, but of experience and aspiration.

People in such poverty do not have access to the things that people with jobs take for granted. Their social networks dry up, and their personal development stops. What I am talking about is not just amounts of money and moving people off benefits and into work; it is about lifestyles. It is about the people whom we have spoken to who have moved from incapacity benefit into work and who talk about getting their lives back. It is fundamental and goes to the heart of what I want to say about the motivation behind moving people from incapacity benefit into work.

One of the things that most worries me is that the motivation now seems to be to get the welfare bill down, and nothing else. I agree that the welfare bill is very high and must be an important consideration—it is taxpayers' money—but we must prioritise individuals. We must see the person, not the benefit. The group of people in question is a very large one, but they are all individuals,

[Natascha Engel]

with different issues and problems, and different barriers and reasons for being on incapacity benefit rather than going to work.

The reason that the pathways to work project, in which I was quite heavily involved in Derbyshire—it was one of the first English pilots—was so successful was that personal and financial advisers in jobcentres looked at claimants as individuals; they did not think only about what benefit they were claiming. The project was not just about getting those people into work and off the joblessness figures. It was about considering what kind of support people needed, including what financial assistance they needed to get them the retraining that they wanted. It involved considering the local work force and the jobs available locally and working with local colleges. That is why it was so successful.

The problem is that that approach is extremely expensive. There is no doubt about that, but we always tried to argue that that was an up-front cost to bring about a saving way down the line. When we see what it does for individuals, it is stuff that money cannot buy. I would like some reassurance from the Minister that he is continuing with that motivation and not just the motivation of getting people off benefits and into work to make a big saving on the welfare bill.

Beyond the correctness of the principle of getting people back into work, there are serious issues about Atos Healthcare. It has always been a problem, and I am the first to admit that, even under the Labour Government, it was an issue. Atos is the only provider of medical assessments that is big enough to provide the sort of support that the Department for Work and Pensions needs in contracting out the work. However, in the massive change from incapacity benefit to employment and support allowance, which involves moving on from medical assessments to work capability assessments, we are asking Atos, which is already struggling with the amount of work that it has, to take on a huge amount of extra work. How will the Minister fill that capacity? Will he take more doctors out of the NHS, or is he thinking of supplementing the existing work force with a migrant work force? Both approaches are and always have been problematic, but given the massive increase in the amount of work that Atos is being asked to do, how will the Minister provide for it?

Mr Andrew Smith (Oxford East) (Lab): I congratulate my hon. Friend on securing this important debate and endorse all that she is saying with such passion. Will she take account of the fact that an advice centre in my constituency is winning 96% of its appeals against the work capability assessment? Does not that underline the fragility of the Atos process, which she has highlighted, and does not it show the need for the DWP to apply much closer quality assurance to the assessments?

Natascha Engel: That was exactly what I was going to come on to. Changing the description of the process from a medical assessment to a work capability assessment was welcome; it refers to what people can do and not what they cannot do. However, Atos has not moved away from an on-screen tick-box exercise. The number of people who come to my constituency surgery saying that they have been to a work capability assessment where the doctor has not even made eye contact with them is disgraceful. However, I am very worried about the issue that my right hon. Friend has raised. Up to 75% of cases taken up on appeal by the Derbyshire unemployed workers centre are successful, and the figure is 40% nationally. I recently asked the Secretary of State at DWP questions how many people that involves.

The errors that are already occurring will merely migrate to the new system. There has been no demonstration that there will be any underlying robustness. The numbers and the traffic involved will make things very difficult. I seek an assurance from the Minister about what people are saying anecdotally—I have no evidence for it—which is that there must be some kind of incentive: Atos is being told that it must get people off benefits. I want an assurance that Atos is not being told or incentivised to move people off incapacity benefit or employment and support allowance and on to the jobseeker's allowance.

George Hollingbery (Meon Valley) (Con): I am here to make representations on behalf of a client who has had to go to appeal. It is worth noting that the high level of appeal successes in the constituency of the right hon. Member for Oxford East (Mr Smith) and of those that we heard of anecdotally from the hon. Lady may be a reflection of the capability of those who assess whether to appeal, as I understand that only 5 or 6% of assessments are successfully appealed. That may put a slightly different gloss on the figures.

Natascha Engel: It does, unless one knows the demographic of the group. A big problem for those who have been out of work for a long time is that it has a really awful impact on their self-esteem and even on their ability to get out of bed, as they can get very depressed. One problem for those who are moved en masse from incapacity benefit to jobseeker's allowance is that they do not have the confidence to appeal the decision. It takes groups such as welfare rights organisations to help them. Of those who are helped, the number who are successful on appeal is an absolute disgrace.

Toby Perkins (Chesterfield) (Lab): I wish to expand briefly on a couple of those points. In Chesterfield and Derbyshire, unemployed workers have had success in 75% of cases. I turn specifically to Atos Healthcare and its motivation. It did an assessment on behalf of Royal Mail for one of my constituents and found that he was not fit to work. Royal Mail retired him on the grounds of ill health, saying that he would never work again. However, when that person went for a work capability assessment, Atos said that he scored no points. The same company assessed him twice; on behalf of Royal Mail, it said that he was not fit to work and should be laid off, but on behalf of the Department for Work and Pensions, it said that he was fit to work and gave him no points. That puts the company's performance in context.

Natascha Engel: I might have used that example, but I thank my constituency neighbour for his contribution. It is a serious matter, and errors are a fundamental problem. The system must be right if we are to move huge numbers from incapacity benefit.

Jim Shannon (Strangford) (DUP) *rose*—

Natascha Engel: I shall give way briefly, but I must make some headway.

Jim Shannon: I thank the hon. Lady for giving way. Does she agree that it is not a tick-box exercise, although it seems like one at the present time, with people being asked whether they can stretch, bend or kneel? There are two parts to the assessment. One of them concerns emotional matters, such as depression and mental health; the other is physical. Perhaps the best way to do that would be to make contact with the person's GP or physician, who would have better knowledge of the claimant. It would certainly help.

Natascha Engel: Yes, I agree.

Julian Smith (Skipton and Ripon) (Con): Would the hon. Lady like to comment on a case from my constituency of a gentleman who had to change his colostomy bag 16 times a day who is now going through the appeal process? In my view, we have to find a way of short cutting the system for terminally ill patients and those who are very ill, using common sense to get them away from that tick-box process.

Natascha Engel: Absolutely. That goes back to my original point about the pathways to work scheme, which was successful because it considered the individual, rather than how to get people moved off benefits and into tax-paying employment.

I wish to ask a couple of questions, the first of which is a wider economic one. The Government will be moving people from incapacity benefit, or from employment and support allowance via the work capability assessment, to the jobseeker's allowance, at a time when the Government have admitted that there will be 490,000 job losses in the public sector, and there will be a massive knock-on effect on the private sector. Even the Minister has to admit that employment will be going down rather than up. Where will the jobs come from?

My second question may seem a minor point, but the Government will be taking £25 a week from those on incapacity benefit or employment and support allowance by putting them on JSA. That may save the Government £25 a week per claimant, but that money will not go back into the local economy. Such people have so little money that they spend it all. In rural ex-pit villages such as those in my constituency, many people are on passive benefits, but it is those people who keep the local shops going. Such shops will now close. How will that help growth? How will that help the economy? How will that provide more jobs?

We are already struggling. Many people will have been on passive benefits for well over two years, yet they are still more likely to retire or die than get jobs. They may get batted into the nearest towns where there is work, but that work will be taken by people fresh out of university who are far closer to the labour market. How exactly will it work?

Huge cuts have been announced to the Ministry of Justice budget. We have already heard that the tribunal system will be overloaded by appeals against people being taken off employment and support allowance and put on JSA. Many of those appeals are successful. However, at a time when the Ministry budget is being cut, how on earth will it work? Is the tribunal service ready for that enormous spike in its work?

To sum up, I would like to hear the Minister give those on passive benefits the idea that there is some light at the end of the tunnel. The vast majority want to work. They are not workshy; they simply need the correct help and support. Of those on benefits, 45% have some sort of mental health condition, which often fluctuates. How are we personalising the service to get those people off benefits and into work? I shall list my questions, and if I do not receive answers, I shall intervene on the Minister or write to him.

11.17 am

The Minister of State, Department for Work and Pensions (Chris Grayling): I shall do my best to answer the questions asked by the hon. Member for North East Derbyshire (Natascha Engel).

I start by saying that there is a huge amount of agreement between us. Let us be clear: the proposals are not an exercise in money-saving. I have said time and again that they are about saving lives, not money. Yes, we will save money if we reduce the number of people who are welfare-dependent, but the starting point surely must be to try to help people make a better lot of their lives. That, effectively, is where the proposals came from.

If we look back to the last Parliament, there was—and, I believe, still is—cross-party consensus on the need to make the changes. The original proposal to assess current incapacity benefit claimants came in the Green Paper that I launched in 2008. James Purnell, who was Secretary of State shortly after that, took up the proposal for the migration and put in place many of the mechanics that were needed.

Given the hon. Lady's comments, I believe that there is still cross-party consensus on the need to do something about the issue. Frankly, I regret that the assessment was not done years ago, because it is not right for anybody to be left on benefits, doing nothing, year after year without us seeking to find them a way back into work and helping them to make a better lot of their lives.

The hon. Lady is also right to say that we inherited the work capability assessment; it was set up by the previous Government, and was initially meant to operate with the employment and support allowance system for new claimants. It was designed by the previous Government and they put it in place, but it was not completely right; there were things that were wrong with it and needed to change.

One of the first things that I did after taking office this summer was make a number of changes to the work capability assessment—changes that were recommended by the previous Government following work that they did in their last few months in office. I looked at the changes and felt that they were sensible. They included: simplifying the language in the work capability assessment; making greater provision for people awaiting, or in between, courses of chemotherapy; making the higher rate of employment and support allowance available to more people with particular communication and mental health problems; and taking into account how people have adapted to a disability.

[Chris Grayling]

My view was that that was not enough, and I share the hon. Lady's concern. It is not in my interests or the interests of the Government to get this wrong. I do not want to do down people who should not be trying to get back into work. I want to help those who have the potential to work, and to ensure that the work capability assessment is as effective as possible. There is no hidden motivation. I am not saying that we should make the test as tough as possible so that we can get more people off benefits and into work, thus saving money. I can categorically assure the hon. Lady that that is not the case.

There is no such thing as a perfect system, but we are working as hard as we can to make the system as effective as possible. Let me tell the hon. Lady some of the things that I have done to ensure that it is. Since the election, we have commissioned a further review of the work capability assessment. It is being carried out by a leading occupational health specialist, Professor Harrington of Birmingham university. We have assembled an advisory group to work with him, which includes Paul Farmer, the chief executive of Mind. I particularly wanted him to be on the review, because mental health is a big issue. Getting the facts right on mental health is essential. I do not want to say that people with mental health problems should not be able to work. Equally, I want to find the right dividing line to ensure that we do not do the wrong thing by people with mental health problems who would have genuine difficulty in working.

Jeremy Lefroy (Stafford) (Con): I want to emphasise the importance of the assessment of mental health problems. A constituent of mine told me that he could have sat down and cried to prove that he had mental health problems. He did not and, as a result, he was categorised as having no mental health problems. That was despite the fact that his general practitioner had categorically said that he did.

Chris Grayling: I have told the mental health charities that I am happy to hear their proposals on how we can change the wording of the assessment to strengthen the way in which we deal with people with mental health problems. I am happy to look at such proposals and incorporate any sensible changes. I said to Professor Harrington and his team that I want them to bring forward recommendations on how to improve things and to knock off any rough edges so that we can make the system as fair as possible.

The majority of people—it is far from all—who are on incapacity benefit with mental health problems have issues with long-term chronic depression. We have a straightforward choice. We can either leave them at home for the rest of their lives—the hon. Lady mentioned that many people end up just retiring rather than ever moving off benefit—or we can try to do the right thing and help them back into work. I passionately believe that the second is the better option. In a moment, I will address the hon. Lady's concerns about personalisation, because I agree with her on that.

What I am saying applies across the piste: we are either saying that we will leave these people passively on benefits for the rest of their lives, or saying that we will do something to help them turn their lives around. It may be that going back to work will involve them doing something different from what they were doing before. If, for example, they were doing a manual job and they had an orthopaedic problem, they may have to do something different, and that may be a huge wrench that damages their self-confidence. The hon. Lady was right to say that many people who are on long-term benefits have lost networks and self-confidence. I do not buy into the headlines that say, "They are all scroungers." Hon. Members will not find me using such language.

The biggest issue is about detachment from the workplace. Some people who have been in work previously and who have become utterly detached start to lack confidence; they do not know what to do or how to go about getting work. Sometimes, people have grown up in an environment in which worklessness has been the norm, and they do not have the knowledge to be able to take the first steps into the workplace. Helping them not only with the assessment but over the hurdle of getting back into work is a huge challenge, and that is what our work programme is all about.

Let me touch on one or two of the other areas that the hon. Lady raised in relation to the assessment. Atos has no financial incentive to get more people through the assessment and back into work, nor would I countenance it having one. It is Jobcentre Plus that takes the decision and not Atos, and Atos does not design the test. The recommendations that we get from Professor Harrington's review—as long as they are sensible, and I am confident that they will be—will inform our decision making about how the test should be shaped.

George Hollingbery: My constituent, Gary Dennis, was recently diagnosed with motor neurone disease. He went to his work capability assessment and passed with flying colours—he got zero out of 13. I understand the Minister's reluctance to categorise any disease as one that should not be assessed through the WCA, because everyone needs the dignity of work if they can have it. None the less, there are diseases, such as motor neurone disease, that have particularly aggressive pathways. There is a case for emergency reassessment. Within six weeks of Mr Dennis's work capability assessment, he was completely incapable of work. Will the Minister consider such cases?

Chris Grayling: I am grateful to my hon. Friend for giving me prior notice of his concerns. One of the things that I am happy to consider—I have said that we will carry on reviewing this process as we go forward—is some kind of emergency brake for people who suffer an immediate and very sharp deterioration in their condition. We should be able to reflect that, and I will ask officials to consider how we deal with such a situation. The goal is to do the right thing by people. What I do not want to do is say of any condition, "Nobody with that condition can ever work." I do not want to give people an automatic path into the support group because where we can, and where circumstances enable us to do so, we should be trying to help people into work. Clearly, when things change rapidly, we need to see whether there is a way in which to address that.

Duncan Hames (Chippenham) (LD): I am glad that the Minister says that Atos does not have an incentive to fail people. We have heard so much about the cases in

which Atos has failed and in which people have successfully appealed against its assessment. Surely there should be some penalty for the service provider, because the system, and the appeals that errors cause, are a great waste of taxpayer's money.

Chris Grayling: We cannot simply regard this as a question of errors by the assessors. The hon. Member for North East Derbyshire mentioned the issue of the number of medical professionals available. A more diverse range of medical professionals is being used, including those with expertise in mental health and orthopaedics; it is not simply doctors who are being used. One problem with using GPs is that we are putting them in a difficult position, because they are in danger of compromising their long-term relationship with a patient if they say, "Actually, you can go back to work." We are very reluctant to go down the GP route. I am confident that having a mix of professionals will help us to deliver what the hon. Lady has asked for.

Getting the appeal numbers down is about getting the system right. I have asked Professor Harrington to consider how we can improve the system to reduce the likelihood of appeals. Appeals will never disappear, because some people will not want to accept what has happened. What we can do is seek to make the system as good and as effective as possible.

Let me touch briefly on the work programme and the support. The hon. Lady made a valid point about the need to provide personalised support. The work programme is designed to offer providers the freedom to tailor a programme to the individual, and not simply implement a programme designed in Whitehall. One of the reasons why programmes went wrong over the past 10 years was that they were too centrally directed. Officials would say, "You will do this. You will have five interviews and a period of work experience." I want to trust the professionals, particularly those from the smaller, voluntary sector groups who probably work with some of the harder-to-help claimants, and give them the freedom to decide what works, rather than having to follow what Whitehall dictates.

Natascha Engel: We have only two minutes left, and I am really desperate to get an answer to the tribunal service question. I accept that we have lots of areas of agreement, but not, I think, when it comes to the tribunal service. This is not about the fact that some people will not accept that they are fit to work. Some 40% of people who appeal are successful. That means that they are told that they are fit to work, appeal, and are then told that they are not fit to work. That is a very serious number of people. What is the Minister doing to ensure that the tribunal system is up to the massive spike in numbers that it will receive?

Chris Grayling: First and foremost, I am trying to ensure that the cases do not get to the tribunal in the first place by making the assessment as effective and as accurate as possible. We also have officials working closely with the tribunal service to address that issue. We are running a number of pilots within Jobcentre Plus to look at ways in which we can improve the process and work more effectively with people who have been passed as fit for work to reduce the number of cases that will ever go to appeal. I am happy to share more of that with the hon. Lady as the weeks go on.

Let me touch on the last two points that the hon. Lady made. She asked where the jobs will come from. Some 280,000 new private sector jobs have been created in this country in the past three months, and the number of people claiming benefits has barely changed. That cannot be right, and it has to change. The private sector can create opportunities. Our job is to ensure that claimants are ready for them. As for the loss of £25 a week, sickness benefit should be for people who are sick. If there are two people sitting side by side in the Jobcentre, both of whom are deemed fit for work, it is not right if one of them is better off than the other. That is why we are clear that the proposals are a sensible step to take. At the end of the day, I want a system that treats people fairly and decently, and also helps them back into work. I do not believe that anybody is better off at home on benefits, doing nothing.

11.30 am

Sitting suspended.

Elected Mayors

[JOHN ROBERTSON *in the Chair*]

2.30 pm

John Stevenson (Carlisle) (Con): I am grateful, Mr Robertson, for the opportunity to debate what I believe is the very significant issue of elected mayors. It is a topic that, to all intents and purposes, flies below the radar. However, it has the potential to affect our democracy profoundly, not only at the local level but at the national level, in what I would like to think is a positive way. The number of Members here for this debate demonstrates that the topic is flying below the radar and yet, as I say, it could have a profound effect on our constituencies up and down the country.

At present, there are 13 elected mayors. They affect at least 50 constituencies and if there are a further 12 elected mayors, as proposed by the Government, another 50 to 100 constituencies would have an elected mayor in their area, affecting local politics and their debates. That would make a total of 150 constituencies, and if we reach that point there may be a critical mass.

The idea of a mayor is extremely well established, not only in this country but all over the world. However, in most respects there is a huge difference between our style of mayors and those in other countries. Our tradition is very much one of having a ceremonial mayor who carries out civic duties. Quite often the post is held by a councillor, usually in the last year of their term in office and who therefore is coming to the end of their career.

In most other countries that have mayors, however, the mayors exercise varying degrees of executive authority. In those countries, the large cities often have executive mayors, with the obvious examples coming from the United States, where the major cities, including New York and Chicago, traditionally all have mayors with executive powers. We can also look to our Commonwealth countries, such as Australia and New Zealand, or to other European cities, many of which have mayors who are executive and not ceremonial in the way that ours are. Often those mayors are seen as an integral component of local democracy. The most recent example of the election of a new mayor was in Wellington in New Zealand. That election was an extremely closely-fought battle, with the count going on for a number of days after the election was over. As a result, a great deal of publicity was generated. Therefore, I see no reason why mayors with real executive powers cannot become part of our democratic landscape and, in the time-honoured British fashion, become a traditional part of our democracy.

For completeness, I just want to cover the recent origins of the elected mayor concept in Britain. The idea was first introduced by the Labour Government under the Local Government Act 2000, which allowed local authorities to instigate a referendum for an elected mayor by means of a simple resolution of the council. The Act also allowed local residents to petition for a referendum. When local residents wanted to do that, they needed 5% of the electorate to sign that petition and only then would the council be duty-bound to instigate such a referendum.

That was the situation in 2000 but it was altered by the Local Government and Public Involvement in Health Act 2007, which allowed councils to introduce the new mayoral system by passing a simple resolution and without the requirement to hold a referendum. However, to achieve that there would need to be a two-thirds majority on the council in favour of that resolution. That Act also stated that there should be no more than one referendum in any 10-year period.

I genuinely believe that, back in 2000, the Labour Government wanted the idea of elected mayors to catch on and become widespread. I believe that they thought that the idea of elected mayors was an opportunity to transform local government and they thought that such a transformation would happen. I also believe that they thought that elected mayors would become commonplace and that by now we would have many mayors up and down the country. In 2006, they actually expressed their disappointment that that had not happened.

So what success has there been? To be entirely honest, even as somebody who fully supports the concept of elected mayors, I must accept that the answer is that success has been very mixed. Since 2000, there have been 37 mayoral referendums. Of those 37 referendums, there was a yes vote in 13 with a no vote in the remainder. There are two possible reasons why that has been the case. First, is the fact that only a third of those referendums have been successful an indication that overall people are against the idea of elected mayors? Secondly and quite simply, there have been only 37 referendums, when there could have been up to 400, or at least 100 to 200, if the idea of elected mayors had taken hold. Therefore I must accept that the number of referendums that we have had is a bit of a disappointment, and that, of those that we have had, only a third have come up with an affirmative answer.

I acknowledge that the idea of elected mayors has had a mixed start, but I believe that there are obvious reasons for that, many of which can be overcome. Quite simply, at the outset the Blair Government did not push the idea of elected mayors in the way that I thought they would. I do not know what the internal politics of the Labour party or the Labour Government were at that time, whether people felt that it was not the right idea and it was consequently put on the backburner, but I genuinely believe that the Blair Government wanted the idea of elected mayors to succeed. However, for whatever reason they did not push the idea at that time and to all intents and purposes they lost interest in it. I also think that, at that time, none of the national parties—Conservative, Labour or the Liberal Democrats—were actively engaged in promoting the idea of elected mayors, although I think that that attitude has begun to change.

What is probably the most important factor of all is that there has been local opposition to the idea of elected mayors, coming from local parties of all persuasions, many—although I hasten to add not all—councillors and quite often from council leaders, local opposition leaders and indeed chief executives and senior officers on councils. Together, those people quite often stymie the hope of having referendums and particularly the hope of having successful referendums. Quite often, the lack of publicity about the idea of elected mayors, which in turn has prevented a proper debate about elected mayors and their genuine pros and cons, has reduced the success rate that I like to think could have been achieved. Finally, the threshold for a petition for a referendum is set at too high a level, at 5% of those on

the electoral register. That is just one of the issues that I will ask the Minister to address when he responds to this debate.

As I have said, however, matters are starting to change. The London mayoralty has undoubtedly boosted the concept of elected mayors and credit for that has to go to both Ken Livingstone and Boris Johnson. They have raised the profile of the idea of elected mayors. It affects London, but I think that it is now permeating out to the rest of the country. People see them as national figures as well as a figure for the city of London. I genuinely believe that this new Government are also starting to take a lead on this issue and I hope that the Minister will confirm that when he replies. Through Boris Johnson and Ken Livingstone, the London mayoralty, and the various elections up and down the country, there is growing interest in the idea of elected mayors in both local and national media, and also among local politicians and local people. Middlesbrough and Hartlepool are obvious examples of places with high-profile mayors who have made a difference. Furthermore, those voting in the recent referendum in Tower Hamlets chose to go down the route of having an elected mayor, which I hope is an indicator of the future, although I must say that there was a very interesting election in Tower Hamlets thereafter. However, other people can comment on the merits of that.

Circumstances have now changed and with increased awareness of the idea of elected mayors, among the public and at Government level, we have a real chance to change things. However, before I refer to the many advantages that I believe elected mayors would bring to our democracy, I will touch on some very basic reasons why change in local government governance is both desirable and necessary. Our present local government system was set up in the 1970s. Time has moved on and we now live in a very different world. Technology has also moved on, including the development of 24-hour media, as have people's expectations. Clearer and quicker decision making is now a necessity and, in many respects, it is part of everyday life. There have been changes to the way that councils run. We now have executives and scrutiny panels. However, I do not think that those changes actually go far enough to reflect the modern world and the way that we deal with things now. Given that background, elected mayors would help modernise local government enormously, and there are many clear-cut advantages to having them. They are open and transparent. Local people, not councillors, choose in an election who they want as their local democratic leader. It might not always give the result that we as politicians want, but that is what democracy is all about.

Elected mayors provide greater accessibility. It is obvious who is in charge. The mayor carries the responsibility for running the council and cannot hide behind the machinations of local politics. Four-year terms also go some way to help, as they give the individual time to implement programmes properly. It is interesting that a number of mayors, particularly independents, are being re-elected at the end of their four-year term. A mayor brings strong leadership—not always, but in most cases. Mayors have the authority to get on and do things in their local community. They also provide visible and clear leadership, which goes a long way to improve the clarity of decision making.

Ironically, having more elected mayors could enhance the role of councillors. I would like to think that there would be fewer of them. To take my county of Cumbria as an example, we have six district councils, one county council, one national park and 400 councillors to represent only 500,000 people. Clearly, if elected mayors were accepted in my part of the world, fewer councillors would be needed, but their role would be greatly improved. Some would still be involved with executive authority in the mayor's cabinet, but that would enhance their scrutiny of the mayor. It would also allow councillors to be more critical of a mayor from their own party, because they would not be bound by the three-line whip in quite the same way as under the present regime.

Mayoral elections to date have illustrated that mayors can bring personality as well as party politics into play. Again, that reflects the modern age. Personality is already a huge part of our democratic process, as evidenced clearly by the leadership debates during the general election. If ever there were a case of personality politics, that was it. Arguably, the same thing goes on with MPs up and down the country. Personalities matter, and I think that they bring something to the political system. Interestingly, of the 13 elected mayors, three are Conservative, three are Labour, two are Liberal Democrat, one is English Democrat and four are independent. That reflects the huge role that party politics will still play. Parties will still be the dominant force behind elected mayors, but the role allows room for independence, which reflects to a certain extent the politics that people want now. The evidence suggests and the experience in other countries reflects that main parties will still dominate mayoral politics, but there is room for others to get involved. That could make politics, particularly local politics, far more interesting and reconnect politicians with the general public. In many respects, it would be direct democracy.

Overall, in my view, elected mayors will bring better governance to local authorities, but could also affect national politics in time, effectively creating greater movement between national and local politics. A mayor with executive experience running a major authority could bring a lot to Parliament and national Government. Equally, a national politician could bring national experience and standing if elected as mayor of one of our major cities.

To summarise my view of the advantage of elected mayors, I quote the words of Michael Heseltine:

> "To create dynamic local leadership and to attract high-calibre individuals, we believe that directly elected executive mayors for…authorities is the best governance model".

Ultimately, what matters to the public is effective democratic leadership. Although executive mayors have been going for only a short period and there are only 13 of them, the evidence suggests that they have been a success and have made a difference in many cases. They are far better known than their predecessors the council leaders, their councils often have higher profiles and they often campaign on their own initiatives, which they subsequently implement as mayors.

However, it is the future that matters. I welcome this Government's approach to local government and their move to decentralise and return power and responsibility to local authorities and communities. We are a hugely over-centralised country, so the forthcoming decentralisation and localism Bill is welcome news.

[John Stevenson]

There is momentum for change not just here in Westminster but in all other parts of the country, and I certainly view localism as a way forward. Elected executive mayors can play a significant role in the localism agenda. My questions to the Minister therefore involve that issue, and I hope that he will give me a positive response.

The Government propose a potential 12 new elected mayors. What about York, Chester, Blackpool and my own constituency, Carlisle? Why should they not also be involved and have the opportunity to decide whether they want an elected mayor? Places with strong identities that might benefit greatly from an elected mayor will be omitted. Is the Minister willing to extend the number of places where referendums will be held and elected mayors will be possible?

What additional powers is the Minister willing to pass to such mayors? Are they to be glorified council leaders, or can we give them extra powers such as appointments to local bodies or additional tax-raising powers? Where a mayor is elected, will the Minister consider the size and role of the council? It appears sensible to reduce the number of councillors while giving them an enhanced role in scrutiny and more generally. Will the Government be considering that? These matters are being handled by politicians, but what about the people? Will the Minister reduce the number of local people required to petition for a referendum from 5% to 2%? That would allow individuals in places where local politicians are preventing a referendum the opportunity to petition and campaign for one.

Generally, do the Government want elected mayors established throughout the country? If that comes to pass, it will transform British politics in ways that many of us do not realise and which have a profound effect not just locally but nationally. The Government say that they are committed to localism. I hope that they are also committed to changing the governance of our local authorities through elected mayors. We now have an opportunity to create a renaissance in local government. As part of that, the time has finally come for elected mayors. I hope that the Minister will give me that confidence and assurance.

2.47 pm

Sir Peter Soulsby (Leicester South) (Lab): I congratulate the hon. Member for Carlisle (John Stevenson) on securing this debate on a subject that, as he rightly says, has been below the radar so far, but has the potential to make a profound difference to local government. As I listened to his thoughtful and well-reasoned contribution, I found myself in almost complete agreement with every word. As he may or may not know, I have something of a background in local government, having spent many years there, and much, if not all, of what he said rang true.

I believe, as the hon. Gentleman does, that the previous Government ought to have encouraged the introduction of elected mayors much more than they did, and I join him in welcoming the present Government's commitment to the extension—albeit a somewhat limited extension, as he pointed out—of elected mayors to other local authorities.

The hon. Gentleman is right to point to the experience of London. Of course, in many respects, it is different from many other parts of the country that might introduce elected mayors, but now that we have had elected Mayors of London from two different parties, we have seen the opportunities that being elected and having a distinct and individual mandate give for providing leadership to a locality. In many other parts of the country, candidates have come forward from established political parties and, in some cases, from outside to perform the role of elected mayor, and they have been able to provide leadership and revitalise local interest in local government. That is undoubtedly a good thing.

As I said, like the hon. Gentleman, I regret that the previous Government, having introduced the concept of elected mayors, did not push it more firmly. I do not pretend to have any more insight than him into the reasoning behind that, but it is water under the bridge. What we can do is consider the areas where elected mayors have been established, recognise how much of an impact they have made, and encourage others to follow their lead.

The hon. Gentleman referred to the fact that the previous Government, as well as making it possible for elected mayors to be established, required local authorities to change their governance structures. Local authorities moved towards a separation of the executive function from the scrutiny function. They argued that that would give greater transparency to decision making and make it more timely, and would ensure that there was greater scrutiny and more accountability.

Well, I have to acknowledge that that has not always been the reality of the situation; indeed, many local authorities have experienced changes that have led to less, rather than greater, transparency and accountability. That is to be regretted. Many councillors up and down the land who were not part of the executive function felt significantly disempowered and, for too many of them, scrutiny had become what those who are not part of the executive do. In many cases, the changes that have taken place have not been an effective use of their time and there has not been effective scrutiny of the executive function within their local authorities. As I said, that is very much to be regretted.

I welcome the fact that the Government have at least committed themselves to enabling and encouraging local people to have elected mayors in 12 of our largest cities if they wish, subject to a referendum. I hope that when the Minister replies, he will be able to tell us more about the additional powers that might be associated with that, because there is an opportunity for greater devolution to local government in those areas. I hope that that will be another step towards further devolution to local government more generally.

It is vital that where new mayors are established—whether under the existing legislation or under new legislation—the role of the back-bench councillor is considered. There needs to be genuine scrutiny enshrined in the new legislation and we need to ensure that mayors have a real job to do in holding the executive to account. It should therefore be possible to attract and retain councillors of good calibre—a problem that all parties have experienced—who are able to do their job effectively. They should be able to speak up for their local communities and also hold to account those who are in an executive position in their authority.

When the Minister replies, I hope that he will mention the existing legislation—the Local Government and Public Involvement in Health Act 2007—under which, I think, before the end of this calendar year, non-metropolitan districts and unitary authorities that are former non-metropolitan districts have the opportunity to opt for a mayoral system without the need for a referendum. They have the opportunity to opt for a mayoral system, as opposed to the so-called strong leader model.

I hope that the Minister will take the opportunity to encourage those non-met districts and unitary authorities to take that option, because under the strong leader model there will be—and, indeed, are already, in the authorities that have adopted it—individuals who exercise, in effect, mayoral powers without the mandate and the accountability that ought to go with it. It is surely undemocratic for a person with mayoral powers to be selected by the majority group—the controlling group on a council—after an election. They ought to be selected by their party, or put themselves forward as an individual from outside the party, and be elected at an election by the electorate. Surely that is the democratic way. I hope that the Minister will encourage the authorities that have the opportunity to do so to take that option and not wait for the new legislation.

As will be evident, I am very much a supporter of elected mayors, as they provide leadership not just to local authorities but to local communities. They have an individual mandate from those local communities to speak on their behalf, not just in the council chamber, but out in the wider world. Elected mayors fundamentally have a far greater accountability to the people they represent, and the system is much more democratic than any of the other arrangements we have seen in the past, or in recent years.

I hope that the Government's proposals for the 12 largest cities are just the beginning, as does the hon. Gentleman, and I hope that other places will follow. The elected mayor model is democratic and much more in tune with the sort of world we live in today than the structures of local governance developed over recent years or, in many cases, inherited from previous centuries.

I return to where I started and congratulate the hon. Gentleman on introducing the topic for discussion. I note that the debate is not well attended, but I am sure that, as the Government bring forward their proposals and develop the arguments in favour of elected mayors, we will have the opportunity to debate the concept on other occasions, including, perhaps, in Westminster Hall, but certainly in the main Chamber when the new legislation is introduced. I hope that other elected Members will join in making a powerful case for the democratic form of governance that is elected mayors.

2.56 pm

Martin Vickers (Cleethorpes) (Con): I, too, congratulate my hon. Friend the Member for Carlisle (John Stevenson) on securing the debate. It is only proper that I should declare an interest in the sense that I am, and will remain for a few months longer, an elected member of North East Lincolnshire unitary council. As background information, I should say that I have served as a councillor for 25 years—and it don't seem a day too long. I have served both in a two-tier system as a former member of Grimsby borough council and, more recently—in fact, for the past 11 years—as a representative on North East Lincolnshire council. That experience has certainly taught me that single-tier authorities are ultimately the way forward and that they should be led by elected mayors.

John Stevenson: Does my hon. Friend think that we should ultimately move to unitary authorities across the country and get rid of the two-tier system? That would allow elected mayor systems to develop in the various unitary authorities.

Martin Vickers: That is my personal preference. I accept the fact that there are geographical difficulties in large counties, in the sense that individuals find it more difficult to become local personalities when parts of the county could be 70 or 80 miles apart. For example, within Lincolnshire county council, the distance from Gainsborough in the north to Spalding in the south is about 60 or 70 miles. I can understand the difficulties, although far be it for me to suggest that Lincolnshire should be broken up into unitaries. That debate is for another day.

As politicians, we are here to articulate the concerns of our local communities. In recent years, there has been much talk of new politics. In the same way as beauty is in the eye of the beholder, "new" can mean whatever an individual chooses it to mean. However, we can transform politics by introducing more direct elections. As my hon. Friend said, there will be personality contests—he mentioned the Boris versus Ken show, which transfixed the nation—and whether we like it or not, personalities have always played a major role in politics. Leadership, in part, results from the individual personality of the person concerned.

I welcome the fact that moves are being made to introduce elected mayors into our big cities; but, like my hon. Friend, I would like to know why it is only happening in those places. In Lincolnshire—in the provincial towns of Cleethorpes, Grimsby and so on—we think that the big cities get more than their fair share as it is. We would like another advocate for our communities, and perhaps elected mayors in provincial areas, working in tandem with Members of Parliament, would be more of a thorn in the side of Governments, of whatever complexion, and we hope that that would be beneficial to local communities.

Much is made of the potential downsides of having elected mayors, such as the possibility that extremists would be elected, but why do we assume that the electorate would vote for extremists? The British people, on the whole, are moderate in their political views, and there is no real evidence that extremists would be elected. If they were, they would soon be found out and lose favour with the electorate. With regard to claims that individuals could be corrupt, I am sure that sufficient reserve powers could be included in any Bill to take care of that.

We have an opportunity to give our politics back to the people by having more direct elections. We need to break down the barriers. As both Members who have spoken in the debate acknowledged, there is an inertia in local authorities, and most councillors are particularly opposed to the concept of elected mayors because that would break down the rather cosy current arrangements. From the general public's point of view, that is exactly what should happen; we need to break down those cosy

[Martin Vickers]

arrangements and bring in people who truly represent their communities. We need more individuals to be elected as party candidates through open primaries, bringing more people into the electorate's choice. We need to reduce dramatically the threshold for initiating a referendum. Councils should still have the opportunity to initiate a referendum, but we need to make it much easier for the population at large to kick-start that process.

There is a fair amount of unanimity in the debate, and I agree that the present arrangements for scrutiny within councils have not worked. That is understandable, as back-bench councillors, under the present cabinet arrangements, really have only one opportunity to speak on behalf of their constituents, so they use meetings that should be for scrutinising the executive to bring up, for example, why the bus stop in the high street has been moved. I do not blame them for that, as I have done it myself. The proposal for directly elected mayors is an opportunity to transform local government, and I hope that the Minister will offer my hon. Friend and I some encouraging words.

3.2 pm

Chris Williamson (Derby North) (Lab): I, too, congratulate the hon. Member for Carlisle (John Stevenson) on securing the debate, which has been interesting, although sparsely attended, and I have enjoyed the contributions immensely. He summarised effectively the background to the present situation and the previous Government's proposals on executive mayors, as set out in the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007. I agree with his comments on an enhanced role for councillors. Perhaps I should declare an interest, as I am still an elected member of Derby city council, which is a unitary authority. Having been a councillor for nearly 20 years, I absolutely believe that it is fundamentally important that we enhance the role of local councillors. I am not sure about his support for personality politics, which occasionally creeps into our political system. I think that politics should be more about values and what we stand for when we run for political parties or as independents, rather than the cult of personality.

John Stevenson: I take the hon. Gentleman's point, but does not he agree that personality politics has already entered our political system as a result of the televised leadership debates that were introduced in the run-up to the general election? The personalities of the leaders dominated the headlines for days.

Chris Williamson: Indeed, I do agree, but in a way that supports my point, because to some extent that obscured the policies and values that the political parties represented. It was more about the individuals who were speaking in those television debates. To some extent that is regrettable, but perhaps it was inevitable, now that the genie is out of the bottle.

The hon. Gentleman mentioned localism, which is something I support, so long as it is democratic localism. I do not like the notion of locally elected institutions being bypassed. People understand local authorities, and I would like more powers to be vested in them, rather than for their current duties to pass, for example, to the voluntary sector.

My hon. Friend the Member for Leicester South (Sir Peter Soulsby) has extensive experience in local government and is highly respected in that world. He represented Leicester as the leader of the council with great credit for many years. He referred to the need for improved scrutiny, and I agree that there could be some improvements, but it is important to note that the previous Government did extend the scope of scrutiny. Part of the problem is the time required to fulfil the scrutiny role effectively, because most councillors hold down full-time jobs, so perhaps we should look at the time made available to them to fulfil that role. That comes to the thorny question of allowances, because unless people have substantial means or are retired, they will find it difficult to spend the necessary time to make scrutiny as effective as it could be.

Sir Peter Soulsby: Does my hon. Friend accept that one of the problems with the scrutiny function in many local authorities is that, frankly, it has not been separately resourced? I am not suggesting that it is easy for local authorities to find resources for anything at the moment, let alone their internal functions. Does he agree that if scrutiny is to be meaningful in local authorities, as it is meaningful in the House, it needs some degree of separate and independent support, so that it is both valued and well informed?

Chris Williamson: My hon. Friend makes a pertinent point, with which I agree entirely. In many local authorities, such scrutiny has been seen as something of a poor relation, so he is right that it is essential that it is adequately resourced. In a context of squeezed budgets, however, that can be difficult, but it is a valid point nevertheless and something that local authorities must take on board.

The hon. Member for Cleethorpes (Martin Vickers) referred to single-tier authorities. Support for the notion of single-tier authorities is growing, and I am sure that he will be somewhat disappointed by the Minister's recent decision to reject the application of Exeter and Norwich to become unitary authorities. Given his experience in local government, the hon. Gentleman probably understands better than most the benefits that flow from such an authority. His comments on extremists were well made. It is up to the main political parties to ensure, when a mayoral election takes place, that we reach out and get our message out to the general public and persuade them to support the mainstream and progressive values that we represent, certainly on this side of the Chamber. If we can get our message out effectively, we can overcome the threat posed by extremists. That threat is posed only where turnouts are low, so it is vital that we engage with people in the political process to ensure a reasonably good turnout. If we can improve turnouts, the extremists will fall by the wayside.

In my view it is abundantly clear that since the general election the Government's policy on elected mayors has turned into something of a Brian Rix farce. Earlier this month, the Minister was caught, metaphorically, with his trousers down when he told the media that current council leaders would be transmogrified into executive mayors by order of the Secretary of State. He

said that that would be followed by a "confirmatory referendum". Just a fortnight ago, he told the *Yorkshire Evening Post* that the referendum question would be, "We've set up these things, do you want to stick with them?"

Cue the knee-jerk intervention by the Secretary of State for Communities and Local Government. Following the inevitable backlash to this oxymoronic top-down approach to localism, the Secretary of State told the House of Commons last week that he had ruled out the possibility of imposing mayors. In fact, he said that it was "out of the question". True to form, however, he went even further later the same day and indulged his penchant for overstatement by saying that he

"had in the top left-hand drawer of my office a pearl-handled revolver with which to shoot the first person to suggest a restructuring of local government. The last time I checked, the revolver was fully loaded and waiting for such a person." [*Official Report*, 21 October 2010; Vol. 516, c. 1155.]

Despite the Secretary of State's menacing warning, the Minister seems to be alive and well, and it looks as if he has had a lucky escape.

To be serious for a moment, this past fortnight clearly illustrates that the Government's policy on elected mayors is in complete disarray. We have the Secretary of State threatening to shoot anyone who proposes any form of local government reorganisation, while the Tory leader of Birmingham city council has said:

"If anything it's a distraction to the real issues of local government."

Then, we have the Prime Minister, who has pledged to hold mayoral referendums in 12 English cities. Furthermore, before his outburst last week, the Secretary of State himself was setting out plans for local government reorganisation. On 17 August, he told the *Financial Times* that he was planning to introduce executive mayors in the country's 12 biggest cities by 2012. In a statement to the House, he said:

"We will put local councils in the driving seat to join up public services... We want elected mayors to trail-blaze such initiatives, not least since elected mayors in our cities will be embraced by the public".—[*Official Report*, 11 October 2010; Vol. 516, c. 3WS.]

The reality is somewhat different from the Secretary of State's hyperbole, however. As things stand, there does not seem to be a huge appetite for executive mayors. In fact, since 2001—the hon. Member for Carlisle set out the history—24 out of 37 referendums have rejected the idea. Stoke was one of the 13 places to vote in favour of an elected mayoral system, but even there residents subsequently voted to scrap it. Will the Minister therefore clarify precisely what the Government's latest policy position is?

John Stevenson: I am curious. I take the hon. Gentleman's point, and I commented on the fact that only one third of referendums for elected mayors had produced a yes result, but I would be interested to know the Labour party's view going forward with the idea of elected mayors. Labour Members were clearly up for elected mayors back in 2000, when the Blair Government introduced the idea. As I mentioned, they thought that it would be a great success. However, I am interested in the Labour party's view now.

Chris Williamson: The hon. Gentleman is right that there was a groundswell of support for elected mayors in the previous Labour Government. We introduced legislation to enable elected mayors to be introduced, and we subsequently strengthened it in 2007. As we have heard from my hon. Friend the Member for Leicester South, a strong body of opinion in the Labour party supports elected mayors. However, it should be down to local people to decide, and we should not necessarily impose anything. At the very least, the elected members in an area should come to a view on elected mayors. Going forward, I think that that would remain our position, although we are now in opposition and we are looking at our policies. We will no doubt give this issue greater scrutiny as time goes by, but as things stand, it would be down to local people to decide what type of governance they wanted for their local authority, and I hope that that would remain the position.

Will the Minister clarify precisely what the Government's policy position is? Will he implement the Conservative party's manifesto pledge, which said:

"we will give the citizens in each of England's twelve largest cities the chance of having an elected mayor."

If the answer is yes, will he explain why the Secretary of State ruled out any local government reorganisation when he addressed the House last week? Will he give a guarantee that mayors will not be imposed in the country's 12 largest cities without a referendum? Finally, will he concede that, in the current climate, elected mayors would be placed in an impossible position because of the unprecedented cuts in local government funding that he has signed up to? Those cuts will destroy vital public services, increase unemployment and undermine economic growth.

3.15 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a pleasure to serve under your chairmanship, Mr Robertson. I congratulate my hon. Friend the Member for Carlisle (John Stevenson) on securing a debate on this important topic. It is perhaps rather sad that the debate is so sparsely attended, because localism and the role that directly elected mayors can play in it is a significant issue for many communities, and it perhaps deserves a better audience than we have managed today.

By the sound of it, there is a bit of a contest between hon. Members over who has been in local government longest. I can only say that I spent 16 years as a borough councillor. If I am allowed to count my eight years on the London assembly, I can nearly get to the 25 or so years that the hon. Member for Leicester South (Sir Peter Soulsby)—

Sir Peter Soulsby: Thirty.

Robert Neill: I cannot quite beat the hon. Gentleman. That would be difficult to do.

No hon. Member actually declared an interest in the sense of saying whether they had been a mayor. I should say at once that I have not been a mayor, although I have been the leader of an authority. The nearest I got was being a mayor's escort once, and I hope that my wife did not find me too inadequate in that role. That, of course, was under a ceremonial mayoral system.

Although we can smile at the differences, some important issues arise here. Across the country, ceremonial mayors do a valuable job and are often entirely independent,

[Robert Neill]

non-partisan representatives of their community. They can be forces for cohesion and fine ambassadors for, and representatives of, their communities. Whatever changes are made, one does not want to lose that element of the equation. Equally, it is perfectly fair to say that there has been considerable debate, and that there is a strong case for considering the mayor as an authority's directly elected political head and chief executive, as is the case elsewhere in the world. My hon. Friend the Member for Carlisle is therefore right to say that the issue can have a huge impact on local democratic life.

My hon. Friend raised a number of interesting points and asked a number of questions. I should make it clear that there has, of course, been some debate and consideration, and various alternatives have flown around in the air. Some are picked up and some are not, at the end of the day. The final decision on the detailed implementation of our commitment on mayors is yet to be taken, and we will announce that decision to the House in due course. However, the commitment, in principle, to the concept of directly elected mayors in England's 12 largest cities is in the coalition agreement. As has been observed many times, we have said that we will create directly elected mayors in the 12 largest English cities, subject to confirmatory referendums and full scrutiny by elected councillors. I will address those two issues as I go along.

Chris Williamson: Will the Minister clarify what he means by confirmatory referendums? As he will be aware, they have been the subject of some debate in the media. Will he confirm that there would be a referendum before any mayoral system was imposed on any local authority area or city, and that proposals will not go forward unless a majority of people voted in favour?

Robert Neill: If the hon. Gentleman will bear with me, I will address the issue of the timing of referendums. However, I want to put it in the context of the rest of the policy.

Having set out the policy position, let me say that our commitment recognises the positive contribution that, international experience suggests, elected mayors can make, in terms of strong local leadership and instigating real change—something that my hon. Friend the Member for Carlisle and others have observed. There are many examples of successful elected mayors, some of whom are in this country. I have had the pleasure of working with Mayors of London of both political persuasions. Other examples come from our other authorities. Clearly, there are also examples abroad. One need only look to London's best comparator city, New York, or observe the real resilience that directly elected mayors bring to the great cities of many of our continental friends and partners in France, Germany, Italy, Spain and so on, where that governance model is regarded as the norm.

That experience supports the case for mayors in our largest cities, which is founded on mayors having greater potential to achieve successful economic, social and environmental outcomes in their cities than do other forms of government. I think that that is the result of the sharper accountability, greater legitimacy and stronger leadership that direct elections bring. Mayors can both be entrusted with greater powers and be expected to exercise them more effectively than perhaps councils generally are. In our largest cities, creating mayors and equipping them with the powers that they need will enable them to seize opportunities so that those cities can fulfil their potential as drivers of genuine economic growth.

We believe that elected mayors are an effective model—a model that can result in greater prosperity and improved social outcomes for our great cities, and a model that can restore the prestige of our cities, bettering the life of those who live and work in them. However, the decision on whether to have a mayor must ultimately rest with local people. That is why our commitment is to create mayors subject to confirmatory referendums. The timing of the referendums is important, as my right hon. Friend the Secretary of State recognised when he said in the House last week, in response to a suggestion that we would impose mayors,

"of course we will not—that is completely out of the question. The proposals will be subject to referendums."

I can do no more than refer hon. Members who have asked about the timing to what my right hon. Friend said last week. He put it very simply:

"Once we know the views of the people in those 12 cities, we will move on to the election of a mayor if people vote for that."

I should have thought that that was pretty crystal clear.

Chris Williamson: I do not want to labour the point unnecessarily, but I would appreciate some clarification. There is speculation that the leaders of the councils in the 12 biggest cities in England will be, as I said in my speech, transmogrified into directly elected mayors. I should appreciate it if the Minister would clarify that that will not happen, and they will not be transferred in that way or given the title of elected mayor until such time as a referendum has taken place.

Robert Neill: The hon. Gentleman knows as well as anyone that there has been a great deal of speculation about all aspects of elected mayors and the broader decentralisation agenda. I simply repeat what the Secretary of State said, which could not have been clearer:

"Once we know the views of the people in those 12 cities, we will move on to the election of a mayor if people vote for that."—[*Official Report*, 21 October 2010; Vol. 516, c. 1117.]

Reference has been made to the 12 cities. Our commitment is to have mayors in the 12 largest cities, and there are different arguments about where they are. Some points have been well made in the debate about the type of city that has a sharp focus and a sense of identity. Equally there will be questions about whether cities have the size or position to take on the range of powers that may be available.

I shall not go into the argument about unitaries as opposed to two-tier authorities at this stage. It is another legitimate debate, and I do not hold a dogmatic view on it. I have experienced good authorities of both kinds. I remind the hon. Member for Derby North (Chris Williamson) that what the Conservative party has always said on the subject—and what the Secretary of State was referring to in a very catchy reference he made to his attitude to local government reorganisation—relates to the situation under the previous Government, when unitary authorities were imposed on some areas by force, without the consent of the people in those authorities. There is a difference between unitary reorganisation

and the present issue, which is about giving people in existing, well-established city authorities the choice on whether to have a directly elected mayor.

I draw the attention of the House to the Green Paper, "Control Shift", that we published in opposition, setting out 12 potential cities that might have mayors. The Green Paper is referred to again in the coalition agreement. Those 12 cities are Birmingham, Bradford, Bristol, Coventry, Leeds, Leicester, Liverpool, Manchester, Newcastle upon Tyne, Nottingham, Sheffield and Wakefield. We did that on the basis that those cities are of a particular size, which we have calculated. We did not include the city of Sunderland, which is large, but which had a vote on a mayor in 2001. The people there took a view and rejected the proposal. So there is a logic to what we have proposed, and our thinking is that we would give people the choice in those 12 cities. We shall set that out in detail in the localism Bill, which was announced in the Queen's Speech.

My hon. Friend the Member for Carlisle referred to the possibility of extending the plan to other cities, but they can already have elected mayors if they wish. Under existing legislation, councils may choose to hold a referendum on whether to adopt the directly elected mayoral model, or they may resolve to adopt the mayoral model. We do not propose to remove that option. We also intend to keep the current arrangements whereby local people can trigger a binding referendum on whether to have an elected mayor for their area by submitting a petition to the council with the signatures of at least 5% of the area's electors. I understand that there is such a petition under way in my hon. Friend's constituency.

Sir Peter Soulsby: On the point about the opportunities open to local authorities under the existing legislation, as the Minister will be aware, non-metropolitan districts, and unitaries that were non-metropolitan districts, will be required to make a choice between a strong leader or an elected mayor before the end of this calendar year. Will the Minister go a little further than he has done and encourage them to take the opportunity to consider seriously the option of an elected mayor and perhaps, when they have examined it carefully, to take the bold step of adopting the model as of May next year?

Robert Neill: As I am a localist, I genuinely do not want to impose a blueprint on those local authorities, but the hon. Gentleman, who was himself a strong leader even before the term was invented—he was a very effective leader of Leicester city council under the previous powers—will be aware that arguments can be made in that direction. There is an opportunity for the case to be made by local authorities if they wish. Equally—this is the point that we are stressing—the decision should rest with the local people.

John Stevenson: The Minister touched on the point about the petition by local people. At present, 5% of electors must sign it if there is to be a referendum, but does he think that that is a prohibitively high proportion? It is quite difficult for a group of people in a locality to get together to obtain 5% support. Would not it be better to reduce that figure and thus encourage local people to petition for a referendum?

Robert Neill: I will consider my hon. Friend's point. I point out that 5% would be about 4,200-odd people in Carlisle, but my hon. Friend knows the area better than I do, and I stand to be corrected. It is a moot point whether that would be an impossible threshold to reach. It is legitimate that there should be some form of threshold to provide at least some evidence of a genuine desire among the population to go down that route. There are some costs in a referendum, although that is not the biggest issue involved, so before embarking on one there should be some evidence of public support. It is possible to argue either way about the matter, and I shall think about my hon. Friend's point.

However, it is important to be careful. There must be some safeguards in the process. I mention that in the context of the referendum in Tower Hamlets and the mayoral election there, which I believe everyone in this Chamber would agree was not the best advertisement for the mayoral model. The concern that I draw to my hon. Friend's attention, and to the attention of my hon. Friend the Member for Cleethorpes (Martin Vickers), who made a point about the unlikelihood of extremists being elected—I broadly agree that the electorate are generally sensible enough to see through them—is that there can be a risk of manipulation of the petition for a referendum without some proper safeguards.

In Tower Hamlets, there were some 17,000 names on the petition, easily beating the threshold, but some 6,000 were ruled invalid by the returning officer because of various blatantly fraudulent devices that had been employed to get signatures. That may not be the situation in Cleethorpes, but in some parts of the country there is a risk of pressure from individual sections of the community that may propose a petition for not entirely cohesive ends. We have to have some safeguards, but I think we can keep an open, practical mind as to the best way of dealing with the matter.

A question was raised about the important issue of mayoral powers. My hon. Friend the Member for Carlisle made a fair point on that. It is important that elected mayors have all the powers that they need to lead and enhance the prestige of their cities. Mayors need to be able to make real improvements to the lives of those who live and work in their city, and to make an impact on the city's economy and its capacity to act as an engine of growth more widely.

One of the reasons, but not the sole reason, why we proposed the 12 largest cities is that it so happens that they are all unitaries. Unitaries are not necessarily the only model, but it may be convenient, particularly at an early stage when people are not used to elected mayors, to have elected mayors in cities where the mayor has the whole range of responsibility for local government services; in that way, things could be more naturally concentrated in one person's mind. We want to strengthen mayors' powers, and my right hon. Friend the Secretary of State set out the kind of powers we meant in a speech during our party conference. The hon. Member for Derby North helpfully quoted what he said, so I need not repeat the kind of areas at which we are looking.

We envisage that mayors will work closely with neighbouring council leaders on issues such as transport, the strategic approach to planning, and wider economic priorities. Of course, it is important to remember that all the great cities do not live in isolation from their hinterland, whether in economic, social or simply spatial terms. Whatever happens, mayor or leader, there has to be a system such that cities can work sensibly with neighbouring authorities. The alternative would involve

[Robert Neill]

exactly the kind of upheaval due to further local government reorganisation and changing boundaries that my right hon. Friend the Secretary of State had in mind when he referred to the armaments industry, if I can put it that way. We want to find sensible ways for mayors to work across boundaries.

My hon. Friend the Member for Carlisle is a strong proponent of decentralisation, as was evidenced in his maiden speech to this House. He argued strongly that in order to improve local economies and education, we must decentralise, take decisions back to communities and allow local people to make local decisions—in simple terms, return power to people. I endorse those sentiments wholeheartedly. They form a vital part of the Government's localism agenda. I would go further and say that creating mayors in our largest cities is a key vehicle for facilitating that much-needed decentralisation. The hon. Member for Leicester South, and my hon. Friends the Members for Carlisle, and for Cleethorpes, were hoping that the Government would endorse the idea of mayors. The Government have clearly indicated that, in the right place—it is for the people to choose what is the right place—directly elected mayors can indeed make a significant difference.

Several hon. Members raised the important issue of accountability and scrutiny. With power comes responsibility, and a crucial element of the elected mayoral model is strong and effective scrutiny of the elected mayor and his or her actions by elected councillors. Effective scrutiny will provide the means for ensuring that the electorate have detailed knowledge of their elected mayor's policies and activities. Direct accountability and scrutiny will be enhanced by stringent transparency requirements. The Government have already announced their intentions in respect of publishing online any spend over £500. Clearly, that has to apply as much to mayor-led authorities as it does to any other authority.

The hon. Member for Leicester South made a point about the role of the back-bench councillor and ensuring that scrutiny is effective. I have a great deal of sympathy with his comments about the need to give back-bench councillors a real role in the system. I have heard from councillors of all political persuasions and none that they can feel—and perhaps, in effect, be—excluded from the decision-making process. That can happen under the leader-and-cabinet model as much as it can under a mayoral model. Whatever the system, we need to find some means of addressing that.

It is important, too, that scrutiny is genuinely effective and moves beyond post-event, post hoc scrutiny, which can be rather meaningless at the end of the day. It is important that, wherever possible, we give elected members the chance to have input in the decision-making process before decisions are completed. That is why, in the spirit of localism, we are saying that local authorities should have the ability to choose whether they stick with the leader-and-cabinet model or with a committee system. That is for them to choose, but either a leader-and-cabinet or a mayoral model can be made to work, provided they properly involve councillors. My London borough of Bromley, for example, calls its scrutiny committees "policy development and scrutiny committees", which more closely mirrors what should happen, in terms of trying to involve members at an earlier stage of the process.

My hon. Friend the Member for Carlisle mentioned councillor numbers and asked whether we would seek to reduce the number of councillors in areas where elected mayors are in place. Once again, I refer to the comments of my right hon. Friend the Secretary of State in response to a question on that issue. He stated:

> "Decisions on the number of councillors in any local authority are handled by the independent Local Government Boundary Commission, in which process I have no role." *[Official Report,* 21 October 2010; Vol. 516, c. 1116.]

That is the case; Ministers do not have any role in setting either the boundaries or the number of councillors under our current arrangements. If councils wish to open up the matter of the number of members that they have, they can ask the Local Government Boundary Commission to review the authority's ward boundaries and number of members. They do that by direct application to the commission; the process does not involve the Government, and it is probably right that there should be independence in that regard.

Sir Peter Soulsby: On boundaries, can the Minister take this opportunity to confirm that the proposals that are likely to come forward for the 12 cities are likely to be based on the existing boundaries of those cities? There have been rumours that there may be extensive extensions of some areas. I do not expect that to be the Minister's intention, but I would like to give him the opportunity to confirm that it is not his intention.

Robert Neill: The hon. Gentleman's understanding is the same as mine. There has been debate outside this House—academics and others have suggested other things, such as regional mayors, city region mayors and so on—but I am happy to make it clear that our intention relates to the cities' existing boundaries.

The commitment remains strong. There is a real case to be made for mayors, but the people of the cities ultimately must make the choice. There can be a great advantage in having a directly elected political leader of an authority; it can mean a sharper focus, a clearer line of accountability and a greater profile for the political head of the authority, and therefore for the authority and its services.

The issue of personality was raised. I mention it because we should remember that if a community decides to go down the route of having an elected mayor, the electoral process must include proper safeguards; I largely agree with the hon. Member for Derby North on that. Although personality is inevitably part of politics nowadays, I hope that that is kept in proportion because, ultimately, values are what count. The recent election in Tower Hamlets, in which the successful independent candidate, or certainly people linked to him, launched a libellous and wholly unfounded series of personal attacks on the Labour candidate, does not help the argument. We have to keep personality in proportion, and that comes back to the need for safeguards in such circumstances—in referendums, in elections for directly elected mayors and, once they are in place, in the scrutiny process. That is not a reason not to go down the route of having directly elected mayors, but we must bear it in mind when finding the right checks and balances.

Let me reiterate our commitment to having mayors in the 12 largest cities, subject to referendums and scrutiny of the kind that I described. That commitment will

benefit those cities, helping to return them to their rightful place among the world's economic powerhouses and, ultimately, helping to improve the lives of the people of this country.

3.41 pm

Sitting suspended.

Rarer Cancers

3.58 pm

Mr John Leech (Manchester, Withington) (LD): It is a pleasure to see you in the Chair this afternoon, Mr Robertson. I start by thanking my hon. Friend the Minister for contacting me in advance of the debate for an indication of the matters that I want to raise on a wide-ranging subject. The title is particularly wide. I also thank the numerous organisations that contacted me with information for the debate and apologise to those whose issues will not be addressed this afternoon.

In this short debate, I want to make some time available to my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti), who wants to say a few words, and to take the opportunity to raise two specific issues, the first of which is lack of awareness among MPs of the issues surrounding funding for the treatment of rarer cancers in general and the lack of understanding of the complex processes and institutions that make decisions about the availability of drugs, especially to sufferers of rarer cancers.

The second, related, topic is the recent health technology appraisal by the National Institute for Health and Clinical Excellence of the use of azacitidine for the treatment of myelodysplastic syndrome. That is a bit of a tongue twister, so I shall refer to it as MDS. NICE's appraisal and decision-making process for azacitidine highlights the problems and inequalities facing sufferers of rarer cancers in getting access to what are often life-saving treatments. NICE's refusal to recognise orphan drug status has created a great disparity in the treatment options for the sufferers of rarer cancers. With the move to value-based pricing not due to come into effect until 2014 and with the lack of details about how it will work, it is essential that that inequality is addressed.

The initial £50 million of funding from the cancer drugs fund has been distributed to the strategic health authorities, and today sees the opening of the consultation on the main cancer drugs fund. I suggest that today is the perfect day to restate the case for far greater funding for rarer cancers.

I start by mentioning the need for MPs to have a greater awareness of rarer cancers, and of the processes and institutions that evaluate the drugs needed to treat them. A number of patients and their family members attended the MDS UK lobby of Parliament yesterday. As part of that lobby, MDS UK launched the results of a survey, which showed that two thirds of MPs had no understanding of the term "health technology assessment", and one third had no understanding of the term "quality-adjusted life year." I confess that I was one of those people until I was contacted by MDS UK.

MPs are expected to have a broad knowledge of many subjects, but we cannot claim, or expect, to have a detailed knowledge of all subjects—some of our constituents may argue that we do not have much knowledge of any subjects. With large-scale reforms of the NHS due to be discussed and voted on, it is vital that MPs gain a greater knowledge of such subjects, and understand how those who suffer from rarer forms of cancer are currently discriminated against.

There is a need for greater awareness about how the details of value-based pricing and decisions on how to allocate the cancer drugs fund may, or may not, remove

[Mr John Leech]

barriers to treatment for those with rarer cancers. I do not intend to spend any more time on that aspect of the debate, other than to highlight the rarer cancers toolkit collated by MDS UK, which I hope the Minister is aware of and has seen. Although today I am concentrating on MDS, there are other rare cancers such as pancreatic cancer, ovarian cancer or mesothelioma that also struggle with either a lack of access to drugs, or with the need to raise awareness among the general public.

I want to mention the fiasco surrounding the NICE appraisal of azacitidine. The process has already taken 18 months and, as a solution is not necessarily assured until March 2011, it may end up being a two-year process in total. In the meantime, up to 1,500 patients will have missed out on the opportunity to access azacitidine during that decision-making process.

The mishandling of the evidence by the evaluation team, as highlighted by the appeals committee, has not helped. The process is long-winded and ponderous even without an appeal. More worryingly, setting aside the length of time involved, the decision-making process itself is flawed, especially NICE's refusal to recognise orphan drug status. The MDS Forum, the Royal College of Pathology and the British Society for Haematology, which collectively represent the UK's top haematologists, have all written to NICE to highlight the unsuitability of NICE's health technology assessments for considering orphan medicines. Haematologists from centres of excellence across Europe have signed a letter echoing that view. Of the 50 orphan-status drugs that are licensed by the European Medicines Agency, only three have been recommended by NICE.

There is an exceptionally strong case for further reform to the NICE process to ensure that it captures the full value of new and innovative medicines for patients with rarer cancers. It is widely accepted that there are problems with the NICE process and that it is unfair to those who suffer with rarer cancers. Extremely high costs are associated with the research and development of drugs, and the relative lack of expertise means that drugs for rarer conditions cost even more. The fact that some drugs are for small patient groups means that sales are relatively low, and the unit cost of such drugs is incredibly high. Nevertheless, the innovative value added by those drugs is great. They are not "me too" drugs, with a relatively low incremental clinical improvement to the patient compared with the drug that is replaced. Such drugs are unique and often provide the only treatment available to the patient. Azacitidine for MDS is a perfect example. The only alternative to it is usually "best supportive care", which treats only the symptoms and not the disease.

I do not know why the process cannot be adjusted to take orphan status into account, and I would be grateful if the Minister could address that question in his response. It seems that the UK is almost unique in that decision. The problems with the NICE process are not unknown, and I know that the Minister and his Department are fully aware of them. The decision to move to value-based pricing, and the introduction of end-of-life criteria and patient access schemes are recognition of such problems. However, end-of-life criteria and patient access schemes have not succeeded in making appraisals more flexible to innovative treatments for rarer cancers, especially cancers where the small number of patients eligible to take part in trials means that there is often considerable uncertainty surrounding the data.

An interesting example of the current problems with NICE's methodology is the fact that even if azacitidine were to be given to the patient for free, its quality-adjusted life year cost would still be £20,000. I do not understand how that can be the case; perhaps the Minister will explain.

Unfortunately, value-based pricing is more than three years away. That will be too late for some patients. Furthermore, the devil will be in the detail as to how the scheme will work and how effective it will be at addressing the needs of small patient groups. In the meantime, short of further reform of the NICE process, the only option for MDS patients and similarly disadvantaged sufferers of other rare cancers is the cancer drugs fund.

Before I move on to the cancer drugs fund, I urge the Minister to ensure that value-based pricing is constructed in such a way that drugs such as azacitidine become available to UK citizens, just as they are available across the rest of Europe. Azacitidine provides a vast improvement to patient outcomes compared with current treatments, and it is therefore the very definition of "high value", which value-based pricing must be designed around.

I urge the Department of Health to ensure that the cancer drugs fund is used to help sufferers of cancers such as MDS. MDS is a life-threatening illness and it is terribly served by the NICE process. The only available treatment is currently being denied to patients, and although I hope that NICE reverses its decision, I fear that ministerial intervention may be needed to bring access to azacitidine to MDS sufferers. It is exactly the kind of treatment that the cancer drugs fund was designed to support and must provide for. Of course, MDS sufferers will have to wait even longer while NICE makes its decision, before they are even allowed to apply to the fund.

In conclusion, I urge the Minister to ensure that NICE methodology is reformed to make it more suitable for assessing medicines for rarer cancers, or that cancers such as MDS are taken out of the NICE health technology assessment process. I request value-based pricing to be constructed in a way that ensures that innovative drugs with a high benefit to patient outcome, such as azacitidine, are correctly appraised. In the meantime, I ask for the cancer drugs fund to be used to correct the inequality faced by sufferers of rarer cancers due to the disparity in the appraisal process of drugs for those rarer cancers.

4.9 pm

Rehman Chishti (Gillingham and Rainham) (Con): It is a pleasure to speak under your chairmanship, Mr Robertson. I thank and congratulate the hon. Member for Manchester, Withington (Mr Leech) on securing this debate on such an important and sensitive issue. Applying the basic principle that brevity is a virtue, not a vice, I shall keep my submission short. I place on the record my thanks to organisations such as Macmillan Cancer Support, which have been very helpful in providing information for me to consider and base my submission on.

My first point is that representations have been made to me that people who suffer from rarer forms of cancer should be given priority in the Government's proposals

for the new drugs fund, on the basis that they are the ones who are the most disadvantaged by the current NICE drug appraisal system.

Secondly, the services available through the clinical nurse specialist system are very unlikely to be given to people with rarer forms of cancer. I urge the Minister to consider extending that system and ensuring that people with rarer forms of cancer have access to it. That is especially important because new research shows that clinical nurse specialists save the NHS money by co-ordinating services more effectively, along with significantly improving the patient experience and outcomes.

Thirdly, I seek an assurance from the Minister that the full maximum of the money allocated in the coalition agreement to the cancer drugs fund will be available. It is vital that we ensure that people who need those drugs get them at the earliest opportunity.

4.11 pm

The Minister of State, Department of Health (Paul Burstow): I am grateful for the opportunity to respond to the debate. I congratulate my hon. Friend the Member for Manchester, Withington (Mr Leech) on securing it and I particularly thank him for giving me notice of the focus of the debate, because, as he rightly says, the range of issues that could be covered in a debate on rare cancers is very wide. I hope that my remarks will therefore address his particular concerns.

The argument that my hon. Friend makes about the iniquities facing people with rare cancers is a clear riposte to the challenge posed by those who say that the NHS needs no reform because it works perfectly. That is often said to me, but my hon. Friend has set out a compelling case why there are areas in which scrutiny, change and reform are undoubtedly necessary. In fact, there are significant failings in the current system of drug pricing and access. The Government are determined to put them right so that we can help more people to get fair access to drugs and treatments that will help them.

In that regard, my hon. Friend rightly draws attention to today's launch of the cancer drugs fund consultation. It is an important moment for the 27,000 people diagnosed with rarer cancers each year. The £200 million a year investment that we shall be making from 1 April 2011, on top of the £50 million that started to go into the system from 1 October this year, means that the NHS will be in a position to provide more support than it has been able to in the past. We will ensure that more patients get drugs and treatments not otherwise available on the NHS.

The Rarer Cancers Foundation has said that our interim funding for the cancer drugs fund will benefit more than 2,000 cancer patients this year alone. Clearly, the £200 million investment that we are making from next April will benefit thousands more. My hon. Friend—

Emily Thornberry (Islington South and Finsbury) (Lab): Will the hon. Gentleman give way?

Paul Burstow: I am afraid not, because in these debates one has to have obtained the permission of the hon. Member who secured the debate and then the Minister. For that reason, I cannot give way.

Emily Thornberry: Please excuse my inexperience. I have just one question—

Paul Burstow: I would be more than happy to discuss it with the hon. Lady after the debate.

My hon. Friend is right to stress that we need to ensure that the fund and the eventual value-based pricing approach are accessible and intelligible. He is right to challenge all of us to test our own understanding of QALYs and technology appraisals. My officials did supply me with a plain English version of what QALYs are, but I will not detain hon. Members by reading it out today. My hon. Friend is right to say that MPs need to understand the detail of how the new cancer drugs fund will work in practice, so that they can advise constituents effectively and their constituents can make the maximum use of it.

The rarer cancers toolkit, which my hon. Friend described, contains a lot of useful information to help MPs to understand cases brought to them by their constituents. I place on the record my gratitude to MDS UK for taking the time to develop it. I hope that it is a successful toolkit that is widely taken up and used by colleagues in the House.

In addition, today's consultation launch is an ideal opportunity for hon. Members to interrogate the proposals, offer constructive challenges and add their own thoughts on how we can take the issue forward. I certainly encourage my hon. Friend and the hon. Member for Gillingham and Rainham (Rehman Chishti) to consider it in more detail and be prepared to comment in more detail. I will ensure, however, that the comments made about it today are fed into the consultation.

I was asked a specific question about the role of clinical nurse support. Every cancer patient should have access to appropriate care, support and information. We are considering the evidence to see whether one-to-one nurse specialist support can improve care for cancer patients, as well as ensuring that there is efficient use of NHS resources. We shall say more about that as we publish our NHS cancer reform strategy review later this year.

My hon. Friend rightly highlighted value-based pricing as one of the ways in which we can address a number of the issues. The cancer drugs fund provides us with a bridge to that more sustainable system, which we hope to have in place from 2014, when the current pharmaceutical price regulation scheme ends. Our intention is to develop a system that makes a much closer link between the price that the NHS pays and the value that a new medicine delivers. That is the key to securing better access to medicines for patients and a better deal for the taxpayer.

Developing a new medicines pricing system is clearly not a simple task. It is important to ensure that when the new system comes in, we get it right. There is international experience on which we can draw, but it will be groundbreaking work and we shall want to engage with stakeholders to ensure that we get it right. I agree with my hon. Friend that the new pricing system must be carefully designed so that it provides fair outcomes for all patients, including those with rarer forms of cancer.

There is, though, a balance to be struck, as I am sure my hon. Friend would acknowledge. The pricing model needs to support innovation in the pharmaceutical sector; it needs properly to reward research and development in respect of new treatments. We need to ensure that the

[Paul Burstow]

incentives are there to encourage firms to invest in the future treatments that will fulfil unmet needs and save and improve people's lives. However, we also need to deliver better value for the taxpayer. In the current financial climate, that is even more the case.

My hon. Friend makes valid points about the unit costs of drugs for rarer conditions and how we tally up the development costs with the relatively low sales of those drugs. I will ensure that his comments about those matters are fed into the future discussions about the design of and consultation on value-based pricing of drugs. Later this year, we shall publish a consultation document, setting out our plans in detail. I hope that he and people from the many charities representing those with rarer cancers take part in that consultation and help us to shape the system in a way that makes a difference for those whom they represent.

My hon. Friend made comments about the treatments available for MDS; indeed, he said that none was available. I am informed by officials that some people with low or intermediate-risk MDS and no symptoms may not need treatment, but they will be monitored. Most MDS patients will have treatment to control or improve the symptoms. That is called supportive treatment. Chemotherapy may be helpful for some people, depending on the type of MDS that they have. A small number of patients may benefit from stem cell transplants, and the aim in those circumstances is to cure the disease. There are things that are done, but I accept my hon. Friend's general point about the need to have access to appropriate drugs as well.

Let me answer the points that my hon. Friend raised about NICE. NICE performs a very difficult but essential job. Its independence is a key strength in the system. It should not be subject to micro-management and meddling by Ministers on a case-by-case basis. For that reason, I will not be able to give my hon. Friend the comfort that he wants—a ministerial intervention to direct NICE to behave differently with regard to the particular treatment under discussion. However, I note my hon. Friend's criticism of the way in which the appraisal has been handled. That is the very reason why we have to have within it the appeal mechanisms that exist. That appeal mechanism has allowed some of those issues to be flagged up and reconsideration to take place.

I appreciate what my hon. Friend has said and his frustration, which I suspect is shared by many hon. Members and, more importantly, by those hoping for access to the drugs, about the length of time that it can take to get an appraisal through. NICE has attempted to streamline its appraisal process in recent years and, in many cases, is now able to start work before a new drug is licensed. For the majority of new cancer drugs, NICE aims to publish draft or final guidance within six months of licensing.

The process tends to be more protracted when there is an appeal against the decision, as there was in that case, or when there are particularly complex issues surrounding the drug in question. While we would welcome greater speed, none of us would advocate dispensing with the vital features of NICE's work, such as public consultation and an independent appeal stage.

It is worth pointing out, however, that people can access the new funding for cancer drugs before NICE makes a final decision. Let me be absolutely clear: in other words, people do not need to wait for NICE to say no before they can apply to the cancer drugs fund. We have also made it clear to primary care trusts that they should not refuse to fund a drug locally simply because no NICE guidance is yet available.

I am also aware of the problems about providing drugs for which there might be limited evidence of effectiveness. Again, today's consultation is asking about and seeking comments on that, to see how the fund is developed and what advice we give to the members of the panels that make the decisions. We are open to ideas and, through this debate, I put to my hon. Friend and others the idea of participating in the consultation.

Turning to orphan status drugs and drugs appraisal, my hon. Friend rightly drew attention to the fact that NICE has recommended only three of the 50 orphan drugs licensed by the European Medicines Agency. I understand his point, but we need to put his point into context. NICE has issued final guidance on, I believe, only seven drugs that have a current orphan designation, recommending only three of them, including one drug for more than one indication. NICE also issued positive guidance on the drug Sutent, which was an orphan drug when designated, but has since had that designation withdrawn.

My hon. Friend asked why NICE approval processes could not be adjusted to take into account orphan status. I point out, as he rightly mentioned, that the end-of-life criteria give NICE flexibility in appraising life-extending drugs for patients with terminal cancer. One of the criteria that must be satisfied for NICE to apply those extra flexibilities is that the treatment must be licensed, or otherwise indicated, for small patient populations. He suggested that such flexibility has not been helpful with orphan drugs, but it has helped make a number of drugs available to patients, including orphan drugs such as Yondelis for soft-tissue sarcoma and Revlimid for multiple myeloma.

I know that NICE is always open to ideas and I encourage my hon. Friend to engage directly with it, along with MDS UK, about their concerns. I will certainly ensure that a transcript of the debate is passed to NICE, so that it can see for itself the concerns of my hon. Friend.

To sum up, such issues are incredibly difficult and emotive. I know that from my own constituency mailbag and from constituents who come to see me, battling to get the medication that they think is appropriate for them on the advice of clinicians. The cancer drugs fund begins to transform and unlock new opportunities in that regard. Decisions concerning treatments often affect patients' chances of beating their cancer. That and the possibility of patients having more time with their families are the very motivation behind the drugs fund.

The Government are clear. We need a system that treats people with rarer cancers in a fairer way, as my hon. Friend said today. He offered us a helpful and insightful spur to ensure that we have a clear focus as we progress in developing policy in the area. The fact is that many thousands of people have lost out over the years, owing to how cancer drugs are priced and funded. Starting with the £50 million already made available this year, and continuing with the £200 million cancer drugs fund from next April, we want to end that unfairness. More people will be able to get the drugs that they want to extend or improve their lives.

I hope that my hon. Friend has found the debate useful. We must ensure that the system works around the needs of patients and is evidence-based and properly accountable. I look forward to continuing the discussion. I hope that he and others will respond properly to the cancer drugs consultation and our work around designing the value-based pricing system to come.

4.24 pm

Sitting suspended.

Barton Biomass Plant

4.30 pm

Kate Green (Stretford and Urmston) (Lab): I am grateful, Mr Robertson, that time has been allowed for this afternoon's debate, and I am pleased that my hon. Friend the Member for Edinburgh East (Sheila Gilmore) and my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins) are present. My right hon. Friend is here because his constituency neighbours mine and will be impacted by the proposed power station that is the subject of today's debate. My hon. Friend the Member for Edinburgh East faces similar problems in her community.

I shall start by setting out a little of the background to the subject. Peel Holdings proposes building a biomass renewable energy plant at Barton in my constituency on the banks of the Manchester ship canal. The plant would primarily burn recycled wood—for example, wood that had been treated with paint or varnish—and some virgin timber. I understand that other plant-derived material will also be burned. According to the applicant, the plant will handle 200,000 tonnes of material per annum, have an operational life of 25 years and provide renewable energy for approximately 37,000 homes. A planning application to the local authority, Trafford metropolitan borough council, is expected to be made soon.

No one questions the wish to make more use of renewable energy sources, but since I was elected in May the proposed plant is without doubt the single biggest issue in my postbag. Hundreds of local people have contacted me about it, the majority being opposed. Local campaigners have established the Breathe Clean Air Group to oppose the building of the power station. A public meeting earlier this month in my constituency attracted hundreds of local residents, and the vast majority of them oppose what is planned.

The concerns being expressed by campaigners and local people fall into three groups. First, there is concern about emissions from the plant and whether the technology that is to be employed will be adequate to clean them satisfactorily, and there is concern about the impact of the emissions on public health. Secondly, there are concerns about the monitoring processes in relation to the emissions. Thirdly, people have a range of concerns about the effect of the plant on local amenities—on local housing, businesses and transport—and problems resulting from congestion. I appreciate that many of those are local planning matters.

I note that the area is already spectacularly unfavoured, as the site of a planned methane plant and a sewage works, and is located right next to an already busy motorway junction. I was interested to note that Peel Holdings has suggested that the materials bring brought to the plant for incineration and the waste being removed could be transported on the canal in due course. I hope that the company will provide more details when the proposal comes to the planning stage, which I expect to happen in the next few weeks.

I wish to refer today to the level and monitoring of the emissions, and I invite the Minister to respond to those concerns. I am pretty confident that Peel Holdings will seek to show that the plant will comply with minimum legal emissions standards. The consensus in the debate

[Kate Green]

initiated in Westminster Hall yesterday by the hon. Member for Congleton (Fiona Bruce) seemed to be that Ministers believe that the Health Protection Agency has convincingly failed to establish any link between emissions from incinerators and public health. However, significant concerns remain among my constituents. I ask the Minister to expand on that analysis.

My constituents point to the latest European Union directive on air quality, incorporated into the UK's air quality strategy, and to EU directives on waste that require member states to use the best available technology to achieve maximum emissions of no more than 1 to 5 mg per cubic metre, but they also say that the United Kingdom has allowed a limit of 10 to 15 mg per cubic metre. Campaigners tell me that each additional milligram worsens health outcomes and mortality rates. The worry is that although the Barton plant may fall within the UK limits – indeed, I expect that it will – it does not represent the best in technology and that the risk of adverse cardiac, respiratory and other health conditions could result.

Paul Goggins (Wythenshawe and Sale East) (Lab): My hon. Friend explains the concerns of her constituents with her customary skill and brings to the Minister their real concerns on the impact on public health. Of course, these issues are a trouble not only to her constituents, but to many of mine, particularly those who live in the Sale area. Does my hon. Friend agree that it is vital that we have an accurate assessment of the risks involved, so that decisions are made in light of the full facts?

Kate Green: Steam vapours are of course no respecters of constituency boundaries. Indeed, the Breathe Clean Air Group has shared with me a footprint plan suggesting that the effect of the emissions would be felt across much of Greater Manchester, as far south as Manchester airport and well into the city centre.

There are significant anxieties about the health analysis that has been made. It is not sufficient for my constituents, who are very concerned about the proposal, or for others in the Manchester vicinity, simply to be told that the Health Protection Agency has reviewed the available evidence. I hope that the Minister will be able to help this afternoon by giving much fuller information on that aspect.

Will the Minister explain how the ongoing review processes on the latest evidence about the health impact of emissions will be maintained following the Health Protection Agency's abolition, which was announced the other day? My understanding is that local public health directors will take a significant role, and I would be grateful for any information that the Minister provided about where they could obtain the most up-to-date evidence, research and advice necessary to inform future debates.

I turn to the arrangements for monitoring the emissions. I acknowledge that Peel Holdings has been very forthcoming in its responses to my questions. It has indicated that it will be putting in place sophisticated computer monitoring systems, and it says that the Environment Agency will have the power to make regular and unannounced checks. I hope that the Minister will confirm that the agency will continue to fulfil its inspection function, and that there will be no slackening of the inspection regime following the announcement the other day of a redefinition of its functions. That is important to my constituents, and I look forward to what the Minister has to say. I also wish to know how as much as possible of the data that are captured and monitored can be made transparent to the public, especially to my constituents, and how the Environment Agency will ensure that they cannot be suppressed if standards are not met.

Let me refer to the issue that was at the heart of yesterday's debate on incinerators that was initiated by the hon. Member for Congleton. It was said that Government policy, both in relation to incineration and renewable energy sources, will be reconciled to empowering local communities to make decisions about their local areas.

Sheila Gilmore (Edinburgh East) (Lab): One concern that has been raised by my constituents about the proposed construction of a biomass plant nearby is that the concept of renewable energy as a good thing is being used to cover up, or to disguise, practices that are by no means environmentally friendly. Does my hon. Friend agree that there is a danger in that? Only 30% of the fuel for the plant proposed in my area would come from recyclable elements, which might be polluting, and up to 70% will be from virgin wood, some of which may be sourced from South America, which does not sound very environmentally friendly. Does she not agree that, because of greenwash, there is a danger that things will be agreed that are by no means green?

Kate Green: I thank my hon. Friend for that helpful intervention. There is a sense that a number of proposals, many of them very different in their detail, are being branded with a collective greenwash, as she so eloquently describes it, which is, perhaps not intentionally, serving to brush aside debate. The Breathe Clean Air Group and Peel Holdings have supplied me with a considerable amount of scientific information, very little of which I can make sense of. I strongly suspect that that will be the case for many of my constituents who are closely attending to this debate. It would be helpful if we had the fullest possible public information in terms that are easy to access and understand, so that we can have a genuinely well informed debate about renewable energy sources and their green impact.

I am particularly interested in an issue that has been raised by the Breathe Clean Air Group about the European requirement to make use of the best available technology. Its view is that the best available technology may not be represented, even in the context of energy renewables, and I should very much like to understand more about that, as would many of my constituents and those of my hon. Friends.

I am keen to understand how the information and the wider context will be played out in relation to the role of local communities in making decisions about the issues that directly affect them. Yesterday, in responding to the debate initiated by the hon. Member for Congleton, the Minister said that where applications were made for such plants – he was talking at that time about waste incineration – the Government wanted to ensure proper, informed and vigorous debate in the community. I very much welcome that. In Trafford, such a debate is already

taking place. None the less, it seems that there could be a tension between Ministers' avowed commitment to localism and the assertions about health standards and emissions that were being made by the Minister yesterday. Perhaps the Minister will expand on how he expects the will of local people to be properly taken on board in planning decisions and in any potential planning appeal.

I ask such questions in advance of a planning application being submitted in relation to the Barton renewable energy plant, because local people are very concerned that the decision has been stitched up. What guarantees will the Minister give my constituents that that is not the case and that local concerns about the proposals will be given appropriate weight?

4.44 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): It is a huge pleasure to serve under your chairmanship, Mr Robertson. We worked closely together on the Energy and Climate Change Committee before the last election. I know that you have a great personal interest in all these energy-related matters, and I am delighted that we have a chance to debate them in front of you this afternoon.

Let me begin by thanking the hon. Member for Stretford and Urmston (Kate Green) for securing the debate and for the way in which she has introduced it. Her constituents will feel that she has done them a very important service by initiating a debate in this Chamber, raising their concerns and giving us the chance to debate them broadly. I also welcome the constructive contributions from other hon. Members, who adopted exactly the right tone for such a debate.

I hope that the hon. Lady understands that I am not in a position to comment on individual planning applications. There is a legal process for applications to go through, and it would be wrong for Ministers to intervene in individual matters which quite properly fall under the control of local authorities. None the less, I am keen to respond to some of her points, and to set out the importance of biomass and the safeguards that are needed to reassure her constituents about the role that it might play.

I agree with the hon. Lady about the importance of a well-informed debate. Her constituents need to feel that they can understand the issues that are being addressed. Plain English should therefore be used in all documentation. I recognise that the subject requires quite technical information, but everyone has an obligation to put that forward in the most straightforward way possible. The only way that we can gain public acceptability is if people can understand exactly what is being proposed and feel that they can genuinely have their views heard. I will seek to reassure her, in my contribution, that that is absolutely the intention of our planning changes.

Our objective as a Government is to see that there is constant upward pressure on standards. Such an objective does not stand still; we do not lock it in at any particular point in time. Standards must evolve over time. The types of technology being introduced now are of an infinitely higher standard than those of the past, and that is a process that we want to see taken forward.

Biomass has a very important part to play in our commitment to develop renewable energy. Bioenergy more generally has an important role to play in that regard. Biomass offers a significant opportunity for this country. Energy crops, wood and municipal waste play a vital role in that process, and we encourage people to consider that. I understand the point that the hon. Member for Edinburgh East (Sheila Gilmore) made when she said that such materials should come from sustainable sources. We are considering the right standards that we must put in place in that respect, and we will introduce new mandatory sustainability standards next year. People have to be reassured that we are pursuing this in a way that is globally sustainable. We are not just looking at a particular local issue without understanding the wider implications.

Our challenge is to ensure our energy security and to reduce our carbon emissions. We want to rebuild our energy infrastructure in a way that creates green jobs and helps to build economic prosperity. The efficient use of sustainable biomass will play a key role in meeting that challenge. We want Britain to be a global leader in the transition to a low-carbon economy. We are committed to producing 15% of our energy from renewable sources by 2020 and to reducing our carbon emissions by 80% by 2050. Sustainable biomass is the single most important contributor to our renewable energy ambitions. Heat and electricity from biomass can provide nearly a third of UK needs from renewables by 2020 – about 4.5% of overall energy demand.

Today, biomass provides around 3% of UK electricity and 0.6% of heat demand. Bioenergy offers the rare benefit of being a renewable technology that it is not intermittent. It can generate electricity or heat on demand at any time of the day or night. We welcome the security of supply that that brings. We also recognise that delivering our ambition for renewables will not be easy. Substantial changes will be required as the UK moves away from the familiar technologies that are used today. Decisions taken now will shape the country's energy future for many decades to come, and it is vital that we make the right decisions and carry people with us.

I recognise that the investment challenge is large, not only for renewables but for all the types of low-carbon generation that the UK will need. We will require local communities and the private sector to work together to deliver the right energy development if we are to achieve our aims of energy security, climate security, and green growth. That is why we have committed so strongly to devolving decision making from central to local level as much as we can. We want to see communities and individuals having a stake in our collective low-carbon future, and we want them to choose the technologies that work for them in their neighbourhoods. The Minister with responsibility for planning, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), will publish detailed proposals about how that process will work, but the involvement of local communities and their right to determine how they evolve is absolutely at the heart of the process.

We recognise, however, that with choice comes responsibility. It is important for local communities carefully to consider proposed projects in their neighbourhood. Each planning application should be judged on its merits, and not all sites will be considered suitable. A vigorous debate over the pros and cons of all projects is essential to ensure that all the issues are teased out.

[Charles Hendry]

In recognition of the important role that communities play in hosting renewable energy developments, we will bring forward proposals to allow communities to retain the business rates associated with renewable energy projects. The hon. Member for Stretford and Urmston talked about the impact on communities of traffic and related issues, but the benefit from those business rates could significantly help to address those issues locally. We believe that the communities that host developments for the wider, national good should be recognised through the retention of business rates for the contribution that they have made.

I will now look more directly at some of the issues that the hon. Lady raised about public health. A great deal of concern has been expressed about the effect on air quality, the natural environment and the health of communities in the vicinity of an incinerator. I recognise that those are absolutely crucial concerns, both for the hon. Lady's constituents and for people elsewhere around the country, and I can reassure her that all modern waste incinerators and biomass incinerators are subject to the most stringent pollution controls. Emissions from waste incinerators are more strictly regulated than emissions from coal, gas or any other form of power generation from combustion.

The proposer—that is, the company bringing forward the plan for the Barton plant—must produce an environmental statement covering transport and social and environmental issues. In addition, modern incinerators must comply with the waste incineration directive, which sets strict emissions limits for pollutants. It is in that regard that the best of class and the best of kind must be considered. The Environment Agency will not grant the permits required for an incinerator to operate if a facility is not compliant with the waste incineration directive.

It might be helpful if I set out the extremely rigorous process that a 20 MW facility—that, I believe, is the scale of the plant proposed at Barton—that primarily uses wood waste must go through. Such a facility would be likely to be subject to the environmental permitting regulations and, as I have mentioned, the waste incineration directive. Both the regulations and the directive are regulated by the Environment Agency. The legislation sets strict environmental standards for all plants burning waste, including waste wood, and standards relating to a range of pollutants, such as nitrogen oxides, sulphur dioxide, heavy metals and dioxins.

If the Environment Agency were to issue a permit, it would need to cover issues such as: the limits on emissions to air, water, sewers, land and groundwater; the disposal of ash; operating conditions, such as temperature, oxygen and polluting gas concentrations; conditions on the fuel that can be burned; monitoring and reporting requirements; conditions to achieve control of noise emissions; and energy efficiency.

The Environment Agency would then regulate the plant by: requiring continuous monitoring of the main pollutants for which limits are set and periodic monitoring of other substances; making regular announced and unannounced inspections; investigating non-compliance with any condition of the permit, and taking enforcement action if needed, including by issuing notices, prosecuting serious breaches or, potentially, revoking the permit.

The hon. Member for Stretford and Urmston also raised her concern about data suppression. There are absolutely extraordinary powers in that regard, so regulatory bodies such as the Environment Agency can be absolutely certain that nothing was being suppressed. That is an integral part of the process, and we believe that the monitoring of these issues is central. We also believe that if there is to be public acceptance of the green agenda, which we are very keen to pursue, the public must believe that standards will be rigorously enforced.

Sheila Gilmore: One of the difficulties for local communities is that this is a highly technical area, and a lot of the detail of what is required is also highly technical. I wondered whether the Minister had any proposals about how information on these issues can be made available in an accessible manner to local communities, so that they can judge what is happening. I say that because obviously one of the difficulties is that this area is so highly technical that people feel almost suspicious of what is going on. Are there ways in which public education could be carried out by the Government to assist local communities?

Charles Hendry: The hon. Lady raises an extremely important point. There is a very important role in that regard for the green non-governmental organisations—people who are trusted in this area. I suspect that the power companies would give rise to a question mark, in terms of public trust in the message that they are giving, and I think that the Government come with that health warning, too. The green NGOs therefore have a very important contribution to make, and if their representatives could come to community meetings, put information on their websites or produce materials saying, "We have looked at these issues—the health matters and the environmental issues—and we are satisfied that these plants meet the criteria and can make a positive contribution towards the development of the green, low-carbon economy," that would help to reassure people. However, I will reflect on the hon. Lady's point and see whether there are things that we can do through our departmental website to point people in the right direction towards independent sources of information, so that they can gain the reassurance that the hon. Lady is seeking on their behalf.

I also want to talk about some of the concerns that have been expressed generally about the emissions from biomass waste. Emissions from energy from waste plants have fallen considerably in recent years as a result of the stringent standards that have been applied. Biomass burning actually causes only a small fraction of air quality impacts in the UK; the majority of those impacts are caused by transport.

Studies of the health of communities living in the vicinity of energy from waste plants have failed to establish any convincing link between emissions and adverse effects on public health. Indeed, the latest scientific evidence on the health effects of modern municipal waste incinerators has recently been reviewed by the Health Protection Agency. Its report, published in September 2009, concluded that modern plants that are well run and regulated do not pose a significant threat to public health.

The hon. Member for Stretford and Urmston asked about the future of the work of the HPA. At this stage, a significant amount of work is being carried out by my

ministerial colleagues to ensure that the critical work of organisations such as the HPA will be continued by different organisations. The decision to remove and get rid of some of the public bodies involved in this area does not in any way demonstrate that we do not value the work that they do; rather, it shows that we think that very often that work can be better done elsewhere. My ministerial colleagues are bringing forward clear proposals about how the work of organisations such as the HPA can be continued. Although it is clearly not possible to rule out completely adverse health effects from incinerators, any potential damage from modern, well run and well regulated incinerators is likely to be so small that it would be undetectable.

The hon. Member for Edinburgh East raised the issue of the sustainability of biomass, which I also want to touch on. We believe that biomass that is grown, harvested, processed and transported sustainably can be a very important low-carbon energy source. However, we recognise the critical importance of taking action to ensure that rapid growth in bioenergy does not result in the loss of important habitats, either at home or abroad, or in the release of more carbon than it is saving. That is why we will introduce sustainability criteria to ensure that the biomass power generation supported by the renewables obligation is sustainably sourced. All solid feedstocks used by generators that are above 1 MW capacity will be required to make greenhouse gas savings of 60% compared to fossil fuel and to avoid deforestation or impacts on diverse habitats and high-carbon stock resources, such as peat. Similar standards will be introduced for biomass that is used for heat.

I understand that the proposed Barton biomass plant intends to use waste wood as its main source of feedstock. I am aware that the wood panel industry prides itself on the use that it makes of wood, but there are still considerable amounts going to landfill currently, and we are keen to reduce those amounts. More generally, we think that waste should be considered more as a resource than as the problem that it is seen as today. Too much wood continues to go to landfill, and landfill itself is a blight that affects many communities. Our constituents are rightly concerned about ensuring that the amount of wood going to landfill is reduced, ultimately to nothing. As I say, we must see waste as a resource and, where it cannot be recycled, we must see how it can be reused, including as an energy source. In that respect, we believe that biomass has an important contribution to make.

This has been a constructive and helpful debate. If people in the constituency of the hon. Member for Stretford and Urmston have further issues and concerns, notwithstanding the fact that I cannot comment on individual applications, I will be more than happy to receive correspondence from the hon. Lady or her constituents. However, I hope that my comments have been helpful in putting in context the role that we believe biomass can play in the future, and in outlining the very stringent controls that are in place regarding emissions from, and the health consequences of, biomass.

Question put and agreed to.

4.59 pm

Sitting adjourned.

Westminster Hall

Thursday 28 October 2010

[MR MIKE WEIR *in the Chair*]

BACKBENCH BUSINESS

The Internet and Privacy

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Goodwill.)*

2.30 pm

Robert Halfon (Harlow) (Con): I begin the debate by thanking the new Backbench Business Committee for accepting my submission and agreeing to give parliamentary time to this important subject. As with the election of Members to Select Committees, the Backbench Business Committee is a small step in redressing the balance of power, moving it from the Executive to the legislature. It is therefore appropriate that one of the early Back-Bench debates should be on the subject of civil liberties.

In recent years, we have become increasingly focused on freedom. With every terrorist atrocity, our civil liberties have been curtailed, often in a somewhat draconian manner. I therefore welcome the coalition Government's determination to redress the balance by reviewing the anti-terrorism legislation, scrapping identity cards, abolishing the national identity register and the contact point database, and halting the next generation of biometric passports. However, I do not wish to talk about state surveillance this afternoon.

I requested this debate because of my concern—and that of many others, including hon. Members here today—about what I term the privatised surveillance society. By that, I mean the surveillance of individual citizens by advanced internet companies; ordinary people have no right of redress, and there is no possible sanction. I will set out what I perceive to be the problem, the reaction thus far of the authorities, and what steps I believe should be taken to deal with it.

My question is this: are we sleepwalking into a privatised surveillance society? How can we stop it? Before I examine the arguments, let me first declare an interest. I am no internet luddite, but rather a passionate advocate for its cause. I blog using Google and Twitter, and I am active on Facebook, where I am lucky enough to have 1,400 friends. In fact, I am an enthusiast for Google products. I run my Commons business using Google Mail; I have Google Sync on my BlackBerry, and I use a Google Android phone. I prefer Google Chrome to Microsoft Explorer. I am a huge believer in the power of the internet to do good, and to be, potentially, a force for democratic development, allowing citizen power at its best.

However, there is a great difference between advancement of the internet and the violation of people's right to privacy. Private companies seem to have acquired the right to photograph what goes on in people's gardens. That is a dangerous shift, because if no one has any right to privacy, we will soon be living—dare I say it?—with a privatised version of Big Brother run by some of the internet companies. That is the scenario slowly creeping up on us. I say that because many of my observations today will focus on Google's activities, such as street-mapping, accessing people's personal wi-fi addresses, and—as we learned from newspapers and Google's official blog a few days ago—the harvesting of personal e-mail addresses and passwords.

I acknowledge that Google is by no means the only guilty party. As *The Wall Street Journal* recently highlighted in a special series, there is a problem with what is termed scraping. Scraping is the process whereby internet companies such as Facebook and MySpace pass on user names and personal information to other companies for commercial purposes, without the consent of the individuals concerned.

The issue of civil liberties and internet privacy first came to a head not long after I was elected to this House in May 2010. The newspapers revealed that Google had been mapping people's personal wi-fi data without their permission. I found that an astonishing revelation, and subsequently tabled a number of early-day motions. I also wrote to the Information Commissioner's Office to ask its view on the matter, but I received what I can only term a lamentable response. The clearly standard reply stated:

> "The ICO has visited Google's premises to assess samples of the "payload" data it inadvertently collected. Whilst Google considered it unlikely that it had collected anything other than fragments of content, we wanted to make our own judgment as to the likelihood that significant personal data had been retained and, if so, the extent of any intrusion. The information we saw does not include meaningful personal details that could be linked to an identifiable person...It is unlikely that Google will have captured significant amounts of personal data."

That raises two issues. First, did Google harvest meaningful personal data without people's consent? Secondly, did it capture a significant amount of those personal data?

In the view of the UK Information Commissioner, who examined the Google computers, there was nothing to worry about. I have subsequently spoken to the Information Commissioner. His view is that although he would have liked to take stronger action against Google, his office was constrained by the Data Protection Act 1998. Perhaps that is true, but why was it not said at the time? There is nothing in the Information Commissioner's first announcement about insufficient powers or the constraints of the Data Protection Act. That inertia seems all the more disappointing given that other groups were working hard to protect the British public.

Many privacy campaign groups, such as Big Brother Watch, have raised awareness of the issue in the media. Privacy International complained to the Metropolitan police in London, who opened an investigation into Google under the Regulation of Investigatory Powers Act 2000 and the Wireless Telegraphy Act 2006. Why was that left to private groups and individuals? The Information Commissioner has said that the Data Protection Act prevented further action from being taken, but what was his view of the Regulation of Investigatory Powers Act and the Wireless Telegraphy Act? Why was Google not referred to the police?

The public whitewash was all the more surprising given the actions of many other Governments around the world. In Spain, there is a formal judicial inquiry and the threat of a substantial fine. In South Korea, the police have raided Google's headquarters. Serious

[Robert Halfon]

investigations were undertaken in France, Germany, Italy, and Australia. Israel is considering the problem in its 32nd international conference on data protection and privacy commissioners, before Street View has even reached its shores. In Canada, the privacy commissioner has launched a legal inquiry on the basis that Google defied Canada's privacy laws. In Greece and the Czech Republic, Street View has been banned altogether. In America, Google faces a class action lawsuit over data harvesting, as well as a large-scale investigation backed by 38 states.

Let me return to the critical questions. Did Google harvest meaningful personal data without people's consent? Did it capture a significant amount of those personal data? A few weeks ago on 14 September, I went to visit the impressive Google headquarters in London and I asked some questions. I stress that the company has always been open to discussion, and courteous when dealing with my concerns. At that meeting, I was given the strong impression that the wi-fi details harvested were basic and did not amount to much. In other words, Google told me that the data were not meaningful, and that they were not collected in significant amounts. It was therefore strange to read what Google's vice-president of engineering and research, Alan Eustace, wrote on the company's blog over the weekend. He admitted that his company's Street View cars captured

"entire e-mails and URLs...as well as passwords"

on a mass scale. He added:

"We want to delete this data as soon as possible".

We have to take his word for it, but it is hard to do that when, contrary to what the Information Commissioner announced this year, and contrary to what Google said to me in September 2010, meaningful personal data were collected in significant amounts.

The issue is simple: either meaningful personal data were collected in significant amounts, or they were not. In July 2010, we were told that they were not; in October 2010, we were told that they were. I sincerely hope that this House, the Government, and the British public, have not been deliberately misled. I also hope that Google's U-turn is voluntary, rather than a scenario in which it admitted the truth only because investigations by other Governments gave it no alternative.

As *The Daily Telegraph* stated on 23 October 2010, Google admitted that it

"downloaded personal data from wireless networks when its fleet of vehicles drove down residential roads taking photographs for its controversial Street View project.

Millions of internet users have potentially been affected."

Among the information gathered were millions of e-mails, passwords, and the addresses of websites visited by private households. That is unacceptable.

The problem should have been picked up by the Information Commissioner in the first instance. Major questions need to be asked. Why did the Information Commissioner assure the public, the Government and the House that all was well? Why did it take an admission of malpractice on the company's own blog to trigger a new inquiry by the Information Commissioner?

It is not enough to say that the whole thing was an innocent mistake, as Google has suggested. That was its line when Street View uploaded images of naked children without the consent or knowledge of those involved. It was its line when a Google engineer was able illegally to access children's private e-mail accounts and telephone records. Google took disciplinary action only after parents complained that the engineer had illegally used Google data to harass four of their children.

I find it hard to believe that a company with the creative genius and originality of Google could map the personal wi-fi details, computer passwords and e-mail addresses of millions of people across the world and not know what it was doing. My feeling is that the data were of use to Google for commercial purposes and that that is why it was done. Of course Google denies that, but for me the question is whether the company underestimated the reaction of the public and many Governments across the world once it was revealed what Google had done.

Even if Google had not harvested oceans of data without anyone's consent, and even if the Information Commissioner's Office had not been so lamentable in its response, I would still have concerns about Street View. In many ways, Street View is a brilliant innovation. I am sure that many of us in this Chamber have used it from time to time as a three-dimensional "A to Z", but street-mapping has been done without anyone's explicit permission. Millions of houses and gardens are photographed in micro-detail and put on the web. As I mentioned, there were episodes in which Google photographed naked children and uploaded the pictures to the web. Although the pictures were subsequently removed, they should not have been there in the first place. I am sure that hon. Members will have tales to tell of e-mails sent by constituents about similar situations.

One lady from a village in Cornwall e-mailed me about today's debate. Wanting to remain anonymous, she said:

"The camera must have been elevated to at least 10 feet high to get these shots. I live in a small hamlet, and on Street View it is possible for someone to see right into the rooms of our house. I am so angry at the infringement of our privacy but until now have had no-one to take up the cause."

I have no problem with Google photographing me in my garden, or my house, and putting those images on the web, but the point is that I want to give Google permission to do so. I want to opt in. Some people will respond that any citizen can walk up a street, taking pictures of people's houses. Of course that is true, but there is a difference of scale and of commercial interest. Google was not sightseeing; it was creating a product to sell advertising on a mass scale. No private citizen has the millions of pounds or dollars at their disposal to take a detailed picture of every house, street and company in Britain. That makes this case fundamentally different.

I welcome the moves by the German Government to give people a chance to opt out of Street View before the pictures are published. Nearly 250,000 Germans have opted out of Street View. That is roughly 3% of households.

Mr David Davis (Haltemprice and Howden) (Con): What my hon. Friend has described sounds like a systematic pattern of behaviour, but it is worse than that. It is a systematic pattern of behaviour backed up, frankly, by systematic mendacity on the part of Google, which first says that it happened by accident, then says that it was a mistake and ends up saying, "Well, we will

eventually get rid of the data." Does not that argue to my hon. Friend—he does not have to answer immediately—that we have to take quite firm legal action with respect to people's rights of privacy and their property rights regarding privacy and with respect to the penalties that ought to face a company as huge as Google, perhaps as a fraction of its turnover?

Robert Halfon: My right hon. Friend is a great defender of civil liberties and we are lucky to have him at the debate. I agree with him absolutely. Later in my remarks, I shall be able to give a more detailed answer to what he has suggested.

As Germany's Interior Minister said in September 2010,

"If companies do not adopt satisfactory new rules, we will create more restrictive privacy laws. However, a voluntary code of sufficient strength and scope could make special regulations unnecessary, at least in part."

In my meeting with Google to discuss Street View, it implied that blackening out houses in a street view would make things look "unseemly". My answer to that is, so what? If aesthetics are sacrificed in the cause of liberty, that can only be a good thing. This is an important principle. Either our home is our castle or it is not. Google's actions indicate an all-too-frivolous view of the rights of the individual against the advancement of internet technology.

However, as I stated in my opening remarks, we should not be worried just about Google. There are also reports that BT has been, allegedly, trawling people's Facebook accounts to check for critical comments about the company. Again, that is totally out of order. There must be a limit to what these companies do. We may accept that, in the present day, most of these internet companies have good and honourable intentions, but we are setting a precedent. If we permit this invasion of privacy today, what might it be used for tomorrow?

A case in point is scraping, which I mentioned. Thanks to *The Wall Street Journal*, we now learn that the internet has given rise to thousands of data brokers and middlemen. They gather information from property records, social networking sites and telephone listings and by scraping data from websites where people post information about themselves. The point is not that those data are publicly available, but that they are being aggregated on a mass scale in a way that threatens individual privacy.

If we accept that civil liberties are being violated in the way that I have described, we must also acknowledge that something must be done about it. In some ways, what is going on is much more dangerous than state surveillance, because at least the citizen knows his rights and there is some possibility of legal redress. Also, it is possible to sack a Government if we are unhappy with them. We are familiar with the idea that there is a social contract between Government and citizen, but what is the social contract between a citizen and an internet corporation?

Street View affects everyone. Its impact is not limited to Google's customers. When it comes to internet companies, the question of citizen rights is much murkier and less defined. That grey area has allowed firms such as Google to get away with what they have done. The reality is that a lot of privacy encroachment is going on that has yet to be uncovered.

Returning to the remarks by my right hon. Friend, I believe that there needs to be a robust inquiry, with teeth, into the role of the internet and its relationship to individual liberty.

Mr Nigel Dodds (Belfast North) (DUP): I congratulate the hon. Gentleman on securing this very important debate and on the eloquent way in which he is presenting his very important case. Does he agree that one of the frightening aspects of all of this is that we depend for information about what is happening and what the companies are up to on the companies themselves? As he pointed out, none of this would come to light unless the information was presented by the companies. Therefore, we do not know exactly what is going on. That is a key point, in terms of people knowing what is happening.

Robert Halfon: The right hon. Gentleman makes the extremely important point that in some ways we are becoming so dependent on the internet companies that that allows them to do what they are doing. He is exactly right.

I am not against private companies—I am a Conservative, after all. As I mentioned, I use Google a lot to run my parliamentary business, but this time it has gone too far. Indeed, there is a danger that one day, no one will have any privacy whatever—and this time the threat is not from the state.

I accept that, despite what I have described, there are no easy answers. When it comes to the advance of the internet, it seems that the rights and responsibilities are still unclear. I accept that it is very difficult for a nation state to deal with what is in effect a transnational company.

Nadine Dorries (Mid Bedfordshire) (Con): I, too, congratulate my hon. Friend on securing the debate. Does he agree that the problems regarding Google and the invasiveness of the internet arose before the capturing of the information that should not have been caught? One of the groups of people who have suffered as a result is young people and teenagers. A number of suicide sites have been established and information is passed via social networking mediums such as Facebook and other mediums to teenagers, who are particularly vulnerable and have been particularly badly hit by that. Perhaps it is time for us to examine how the internet has operated and invaded people's lives in an adverse way, and to start talking about some form of regulation that protects individuals.

Robert Halfon: My hon. Friend makes a good point which, although slightly different from what I am focusing on today, is relevant to the role of the internet. I think she will be pleased to hear what I say later in my remarks.

The time has come for the Government to set up a serious commission of inquiry composed of members who have expertise in civil liberties, the internet and commerce. The commission should suggest a new legal framework to redress the balance, giving citizens an affordable and speedy means of redress.

Perhaps the best means would be an internet Bill of Rights, which would give the citizen some notion of his rights. At first, such an internet Bill of Rights might be a semi-voluntary code, as currently proposed in Europe.

[Robert Halfon]

The system would be self-regulating, in the same way as the British Medical Association can mediate over doctors' behaviour, or the Law Society can judge legal practice. If an inquiry finds cases in which a company has infringed upon people's privacy without their permission, perhaps there could be some sort of fine.

Dr Julian Huppert (Cambridge) (LD): I thank the hon. Gentleman for giving way and for securing this interesting debate. I am interested to hear how he develops some of his points.

The hon. Gentleman keeps talking about companies. Although he touched briefly on the role of the Government, would he not agree that, while infringement by companies is a serious problem, infringement by Governments—which has happened so often, through the former intercept modernisation programme, the Digital Economy Act 2010 and the huge amounts of data held by the Government—is at least as chilling, not least because so much more money and infrastructure back it up? How would he tackle that issue?

Robert Halfon: I was pleased to serve with my hon. Friend on the Public Bill Committee that considered the abolition of identity cards. He is also a huge defender of civil liberties, and has been so for many years. He is right, and raises an important subject, but one for another debate. Today, I am focusing specifically on the activities of internet companies and their role in curtailing our civil liberties.

Michael Ellis (Northampton North) (Con): I, too, join those congratulating my hon. Friend on orchestrating the debate today.

On regulation, specifically, does my hon. Friend think that there is any merit, or viability, in establishing an industry-wide data security mark of some sort? Is there not a clear commercial incentive for companies such as Google to ensure that they get this right, and to satisfy the general public that they are getting it right? What about a kitemark or some such security apparatus, which would allow the public to see the quality or otherwise of companies such as Google and their security infrastructure? Would my hon. Friend support something such as that?

Robert Halfon: My hon. Friend is exactly right. It is that sort of thing that I hope the independent commission of inquiry would consider.

Although internet companies are global, nothing would stop the Government from fining their operations in the UK.

I stand before the Chamber known as Robert Halfon. However, if I took the advice of the Google chief executive, Eric Schmidt, I might have changed my name by now. In August, Mr Schmidt suggested that people might have to change their names in order to wipe their personal histories as captured on the internet. His vision for Google is not just to monitor people, but to predict their behaviour. He has said that

"most people don't want Google to answer their questions. They want Google to tell them what they should be doing next".

In the future, Google will

"know...who you are...what you care about...who your friends are".

Mr Schmidt also said:

"If you have something that you don't want anyone to know, maybe you shouldn't be doing it in the first place."

Therein lies the problem we have been discussing today. It is the nub of the whole subject. For Mr Schmidt and his company, Google, the burden of taking defensive action because of activity by internet companies lies on the individual. In fact, in my view and that of many others, it should be the opposite.

Mr Don Foster (Bath) (LD): On that very point, would my hon. Friend not accept that it is almost impossible for the individual to take action? We saw that in particular, for example, in 2007, in the what I would call illegal trials by BT of the system of Phorm to identify internet users' advertising preferences, so that they can be targeted. The individual cannot protect him or herself.

Robert Halfon: In some ways my hon. Friend is right, but that is why we should have an independent commission and a Bill of Rights, because they would help. We will never be able to stop everything, but we would have some right of redress. It should be up to the internet companies to respect the rights of the individual, not the other way around.

I am calling for an internet Bill of Rights, a proper inquiry and an Information Commissioner who genuinely acts to safeguard our liberties. I hope that hon. Members and the Government will be able to support that.

2.55 pm

Dr Julian Huppert (Cambridge) (LD): It is a great privilege to be able to take part in this debate and, again, I congratulate the hon. Member for Harlow (Robert Halfon) on securing it. It is welcome and timely.

I have had an interest in the internet in many areas, politically as well as personally. Any combination of technology, commerce and civil liberties was always going to interest a Liberal science geek such as me.

As someone who is still new to Parliament, I have been shocked by the aversion that some hon. Members have to matters technological. There are a number of constraints on using tablets in the Chamber, and various other archaisms, which I hope, together with many other new Members, that we will be able to change. However, some of the aversion is due to the frustration of getting parliamentary hardware and software to work. Privacy is, though, something that Members should be concerned about, however technologically literate they are. It affects us and our constituents, who use the internet for all sorts of purposes. It affects businesses and how we interact with all those things.

Some first principles have been touched on, such as the balance between openness and transparency on the one hand and privacy on the other. One of the issues is about education—people who use things such as Facebook or Twitter do not understand what they are doing with their information. People giving information about their opinions on BT, available to the outside world and for BT to have a look at, is a perfectly valid choice. However, people should know that that is what they are doing.

and they should be choosing to do so, rather than discovering that they have inadvertently done so without thinking about it.

Bob Stewart (Beckenham) (Con): What about a health warning on Twitter? On cigarettes we have "Beware of death" or something. On Twitter we could have "Beware of giving too much information" in a big sign—it has got to be big—or something like that. Do those things exist and I just cannot see them because my eyesight is so poor?

Dr Huppert: "Excessive twittering may be bad for your future"—the problem would be fitting something into 140 characters. We can run out of space quickly. We need to have some way of educating people on the subject. That involves education in schools and, I am sure, the involvement of websites.

However, I am concerned about the idea of imposing draconian regulations on internet use. There is a balance. We know that it is hard to have regulations, with too many strict controls on what happens and what is done. I was recently with at least one other hon. Member in the Chamber on a trip to China, where we had some interesting discussions about the Chinese efforts to control what can and cannot be done on the internet. I am sure that we do not want to go down similar routes.

As the hon. Member for Harlow has already made clear, we cannot ignore those problems—they are affecting people and are doing so now. However, he did not mention a number of things. For example, the Firefox extension called Firesheep enables users to log into other people's social networking accounts—I have not used it myself, I hasten to add.

As I mentioned in my intervention, the Government have a critical role. I am even more concerned about the Government's ability to do such things. While we can argue about which is worse, there is no doubt that the Government should be seen to be leading the way in respecting citizens' rights.

I was delighted to see in the coalition agreement the commitments to "roll back state intrusion" and "restore our civil liberties". I suspect that many, if not all, of those in the Chamber today would agree. [Hon. Members: "There are no Labour MPs here."] There is a Labour MP here—I am sure that he would support the coalition agreement on at least that point.

The welcome words in the agreement have to be matched by actions in Government. There are issues on which we have not done enough to reverse what happened under the previous Government and, in some cases, there is a risk that we will be worse.

The last Government had an extraordinary predilection for hugely costly and intrusive IT projects and policies—I was delighted to serve with the hon. Member for Harlow on the Identity Documents Bill Committee and I was pleased to hear that the only one of the cuts that the right hon. Member for Doncaster North (Edward Miliband) said in an interview that he agreed with was getting rid of identity documents. I am delighted that the Labour party has finally come along to that sensible position.

I turn to a couple of things being driven by the Government that I believe interfere with privacy. The first is the Digital Economy Act 2010. I could talk for the remainder of this debate about some of the controversial aspects of the legislation, but I shall not detain the House as I assume that everyone is aware of the debate and the many issues raised. However, I draw attention to a case that was reported in July this year, after the Act was passed.

A woman received a letter from her internet service provider accusing her of downloading homosexual pornography illegally. That eventually resulted in her discovering that her son was gay. That is not the way that privacy should be broken; we can expect to see many more such cases if provisions of the Act are not substantially altered—or, as I would like to see, abolished. BT and TalkTalk attempted to secure a judicial review, which reveals that even industry heavyweights understand the problems caused by some aspects of the 2010 Act. If the offensive parts of the Act are not repealed, it is essential that they are significantly modified, by legislation or through the Ofcom code, so that ordinary criminal or civil procedures can be used; we already have procedures for dealing with theft.

I hope that the Government will avoid the general trend towards administrative systems laden with Executive involvement. What is the Minister's current thinking on the 2010 Act? Will the Freedom Bill be able to stand for freedom in this area as well as in others? Will he confirm that the Government will not adopt a position in which internet users will be guilty until proven innocent, as the Act effectively demands?

I could speak about summary care records and the fact that the Government have failed to deliver what I believe was an important promise, and I can give examples of the consequences. Instead, I shall speak about the reported revival of the intercept modernisation programme, although I am sure that it will not be known by that name.

I remind the House that the IMP was an ambitious £2 billion project that would have forced ISPs to log clients' internet and e-mail activity for at least 12 months. That, I believe, is a great infringement of privacy. Indeed, the coalition agreement explicitly stated that

"we will end the storage of Internet and email records without good reason".

There is no doubt that we face threats from cyber-terrorism. Malicious breaches of security could cost the Government, businesses and individuals dearly in all sorts of ways. However, that does not give the Government the excuse to use a sledgehammer to crack a nut.

Sir Alan Beith (Berwick-upon-Tweed) (LD): The significance of internet records in dealing with cyber-terrorism and other forms of terrorism requires some attention by the Government. That might be better achieved by service providers having to keep material for a set period rather than creating a vast Government warehouse of such material, or merely relying on how long it is convenient for the companies to keep it to suit their billing records.

Dr Huppert: Indeed. There are a number of ways to deal with genuine cyber-terror risks. Labour's proposals certainly were excessive; it took a draconian and over-zealous approach.

I raised the matter yesterday in Prime Minister's questions. I asked exactly what was happening about the intercept modernisation programme. He assured me

[Dr Huppert]

that the Government were not planning a centralised database. I suggest that right hon. and hon. Members read exactly what he said. I am trying to give the Prime Minister and the Government the benefit of the doubt, but I am concerned about the careful choice of words. Does it have to be a centralised database to cause problems? Does it have to be a Government database to cause concern?

The original problem was that ISPs were storing the data. Hoping that the Prime Minister was being less than entirely clear, I asked some follow-up questions to establish what is being proposed, given the wording of the strategic defence and security review. The Government have to be better, and they can start by ruling out for good such a costly, over-broad and heavily intrusive approach. A minimal standard for data retention has to be the goal.

I understand that the Home Office is considering that data retention by ISPs should be based on an EU directive. If so, extremely stringent safeguards must be put in place. What discussions has the Minister had with the Home Office on the matter? Will he assure the House that Government intrusion into the privacy of individual internet users would happen only in the event of a serious threat to national security, that it would be regulated by the strictest possible safeguards, and that it would be subject to primary legislation so that Members of Parliament could consider what was proposed?

Mr David Davis: I am listening with fascination to the hon. Gentleman. He is exactly right in what he says; there will clearly be a need for a severe warrant in order to control what is done with privately held data by agencies of the state. However, that alone will not resolve the problem of having a big centralised database. The creation of a database can itself create a security hazard. A large quantity of data being held, even by one ISP, becomes a target for fraudsters, hackers and terrorists. Does the hon. Gentleman agree that the Government should sort out that problem as well as the others?

Dr Huppert: The right hon. Gentleman makes an excellent point. Wherever the data are kept, we would have to be most careful about their security. Some people would be interested to see it. For example, I can imagine that a number of people would pay considerable sums to gain access to the web and e-mail records of every Member of Parliament; we saw the excitement on expenses, and I am sure that it would be similar. Data like that must be treated as a great security risk, and that risk counterbalances much of the risk from cyber-attacks about which we hear so much.

I could talk about many other matters, but a number of Government Members wish to speak; the Opposition Benches are somewhat denuded. However, I wish to tell the House that I chair a Liberal Democrat policy working group that is writing a new policy on IT and IP matters, and we would welcome submissions from Members and from people across the country. We shall also be dealing with the party's proposals on privacy. Indeed, members of the working group could have given a rather more detailed take on many of these matters. We clearly need to avoid the kind of lazy thinking that gives blanket solutions but ignores the need for privacy and liberty, and suggests draconian solutions that cause more problems than they solve.

I hope that my comments and those of others here today will give Ministers and others food for thought and that, together, we can work towards a balanced solution that preserves people's reasonable privacy expectations.

3.6 pm

Mark Lancaster (Milton Keynes North) (Con): It is a pleasure to follow the hon. Member for Cambridge (Dr Huppert). He is a self-confessed Liberal scientific geek, but I do not qualify on any of those fronts. It is a particular pleasure to follow my hon. Friend the Member for Harlow (Robert Halfon), and I congratulate him on securing this timely and welcome debate. I agree with almost every word that he had to say. It is especially good to be talking of these matters given that they are so topical.

We live in an age when instant access to information—and, indeed, to people—is the key. Our society has become dependent on getting information at the click of a button. Technology is advancing at a speed of knots, to use an ancient term, and it has helped to advance our economy. However, I am concerned about the potential for legislation quickly to become outdated, as Parliament struggles to keep up with the pace of change in the media market. It is important to have laws in place to protect companies that are making new and ever-evolving equipment, but we should also ensure that the new technologies do not infringe upon our constituents' right to freedom. I do not advocate a parliamentary legislative research and development department to allow us to keep up with the pace of change, but it is important that the House remains aware of, and reacts to, the growing changes in the technology market.

My hon. Friend expressed concern about the issues highlighted by the media earlier this week and came up with some innovative solutions. I share his concern. It is a sad day when an individual can suffer such an extreme invasion of privacy by a company that is used to enjoying its customers' trust. I am sure that Google will respond to questions posed by the Information Commissioner, my hon. Friend and others in a timely manner, so that we can get to the bottom of the problem. Sadly, this is not the first time that I have heard of an invasion of privacy being committed through the use of new technology.

I draw attention to what has occurred in my constituency. I do not wish to give the impression that the only company of interest today is Google. However, Milton Keynes has had the misfortune to suffer two instances when the use of Google Street caused me and my constituents great alarm. What happened in the village of Broughton in my constituency ended up making a splash in the nationals back in April 2009. A Google Street car arrived on London road, with the well-documented 360° degree camera on its roof. Villagers were outraged, and formed a human chain to stop the car from moving any further down the road. I was very proud of them. Expressing concern at the invasion of privacy, they requested that the driver stop recording images of their streets. The driver refused. Following intervention with Google, it became apparent that residents

could halt publication of the images of their homes only after they had been published online, as has been said. My constituents had to place a request with the company for the images to be removed.

I do not wish to seem clichéd, but the similarities that can be drawn between this invasive style of mapping and an Orwellian thriller are increasing. However, it is not the state that is carrying out this street surveillance, but private companies, and that causes me and many other hon. Members great concern. Big Brother should not be watching us, and especially not a private Big Brother.

As a non-lawyer, I confess that I was surprised to discover that privacy is not a right, but simply a reasonable expectation, as most recently established in the case of Campbell v. MGN Ltd in 2004. Although I understand that, Google's policy of publishing images that my constituents had requested remain unpublished and removing them only after they were published is simply unacceptable. It is our duty to protect our constituents from such instances, and I would welcome the Minister's comments on the suggestion from my hon. Friend the Member for Harlow that we have an internet Bill of Rights.

The second problem in my constituency, which involves a women's refuge in Milton Keynes, was perhaps of even greater concern. Hon. Members will forgive me if I do not go into great detail about the refuge or its location for obvious reasons. The refuge protects women and their families who have run away from abusive home environments. Its anonymity is crucial to the organisation and to the sense of security of the women and children who turn to it in their time of need.

A PO box number is given for correspondence sent to and from the refuge. Only once women have called the emergency number and a pick-up point has been agreed do they find out where the hostel is. Imagine their great concern when, on entering the name of the organisation in Google, they see a picture of the building the refuge uses and its address appears on the search engine. Having requested that Google take down the image and the address, the refuge received no response. It is staggering that the privacy of an organisation whose purpose it is to protect others is allowed be invaded in that way.

Legislation venturing into this topic is a grey area, and this debate allows the House to start discussing it for probably the first time in some time. I acknowledge that a legislative approach would have consequences for freedom of information, but does the Minister accept that, following the situations that occurred in my constituency, and Google's reluctance to do anything about them, the time has perhaps come for, at the very least, a review of the kind suggested by my hon. Friend?

3.13 pm

Mr Don Foster (Bath) (LD): Many other Members want to speak, so I will make my remarks as brief as I can. I congratulate the hon. Member for Harlow (Robert Halfon) on securing this really important debate. In passing, let me tell him that it is not necessary for many of us to repeat what he said about Google, because I suspect that nearly all of us share a real concern about what has happened. We are particularly concerned that this country seems to be doing significantly less about these issues than almost anywhere else in the world, and we need to do something about that.

I particularly commend the hon. Gentleman on drawing attention to the simple fact that there is a big difference between an ordinary member of the public taking a photograph of somebody's house and Google taking pictures for Street View. That is because of not just the scale at which Google is operating, which my hon. Friend rightly mentioned, but the purpose. Google is doing this for commercial purposes. I do not know whether my hon. Friend is aware of this, but the latest figures on the value of e-commerce in this country were revealed just today. In a few years, the value of e-commerce has gone from nothing to £100 billion, or 7% of the economy, and we all know that that figure will rise. It is therefore not surprising that Google wants to capture as many data as possible and to use them for commercial purposes. That is why we have to be particularly mindful to ensure that we have the right safeguards in place in the growing e-commerce market.

I was delighted that my hon. Friend drew attention to others who are scraping and gathering data of one sort or another. As has been said, there is a real issue not only about whether they should be allowed to gather data and to use them for some of the purposes that they do, but about security, as we have seen, sadly, on so many occasions with the large collections that are held.

I draw particular attention to ACS:Law. Many people will be aware that that law firm is making money by sending letters to people saying that they have allegedly been involved in illegal file sharing or similar illegal activities on the internet. It then demands about £500 from the recipient. If they fail to provide the money, the firm threatens legal action. As my hon. Friend said, the idea that someone is innocent until proven guilty does not seem to apply for that law firm. However, the real concern is not about the activity that ACS:Law is undertaking, although many of us should be concerned about it, but about the simple fact that it, too, recently managed to get hold of a lot of data from ISPs. The information, which was not encrypted, was sent by e-mail, which it should not have been. Other people then obtained it and used it for inappropriate activities. Even worse, the firm managed to put some of the data on its own website. There are real issues about the security of data.

Another issue, which has not been touched on, although I mentioned it in a brief intervention, relates to the activities of organisations such as Phorm. As many hon. Members know, Phorm was apparently established secretly. BT ran trials in about 2007 to gather details about how people operated on the internet and what sites they looked at, so that information and advertising could be targeted at them. I accept that Phorm claims that it was developing a system that would completely protect the individual and maintain their anonymity. The problem, however, is that there was no evidence that members of the public knew that the trial was happening or that the system would give the protection that the firm claimed it would. I am, once again, saddened that proper investigations have not taken place.

That brings us to the role of the Information Commissioner. I hope that many Members will have listened to what he has to say. I do not want to make accusations about his role, but the difficulty for him and his team is that there is a lack of clarity about where the

[Mr Don Foster]

boundaries of his powers lie. One reason why we need to set up organisational structures to allow us to have the investigation that he proposes is that we need to look, among other things, at his role in dealing with the issues that we are discussing.

Nadine Dorries: Does the hon. Gentleman accept that there is a lack of clarity and that the only way to guarantee clarity is to test those boundaries? It is not enough for the Information Commissioner to stand back and say that he does not know where the boundaries are; he needs to push them and test them, and he will soon find out where they are.

Mr Foster: The hon. Lady—indeed, my hon. Friend—is absolutely right to raise that issue. We have heard it argued that one barrier might be data protection legislation, but I have some difficulty understanding why somebody who is there to check out these issues on our behalf is being told that he and his staff cannot do their jobs because of such legislation. It is absolutely right that we have to push at the boundaries in the way that my hon. Friend suggests.

I want to end with a point that has been made by the hon. Member for Harlow and my hon. Friend the Member for Cambridge. I have one criticism of my hon. Friend and I share one area of agreement with him. I find it difficult to accept entirely what he says about the Digital Economy Act 2010. I accept entirely that the provisions of the Act that dealt with illegal web activity included a proposal, which I and my party opposed, that could block websites even before they had done anything illegal, because they might possibly do something illegal in the future. It was a bit like the film "Minority Report" in which someone could be arrested because they might do something in the future. That is nonsense and must go, but if my hon. Friend looks closely at the elements of that Act on illegal file sharing, he will find that it is not true that the idea that someone is innocent until proved guilty is not there.

The staged approach in the legislation—we must have some sort of law to protect intellectual property—is going the right way. I disagree with my hon. Friend about that, but I entirely agree with him about the intercept modernisation programme. I am delighted that he raised it yesterday in the House with the Prime Minister. Many of us are very concerned, for the reasons that he eloquently gave, to think that the programme may still be going forward under the coalition Government. There are those of us who care about privacy and the freedoms of people in this country: the very people who have stood up against the growth in the number of CCTV cameras. It is ludicrous that we have 1% of the entire world's population and 20% of its CCTV cameras. Is any other evidence needed of the way Big Brother is beginning to operate? We have rolled back some of that effect; we rolled back ID cards and some of the other planned databases of the Labour Government. We must be on the ball in checking what the Government do about the intercept modernisation programme. I congratulate the hon. Member for Harlow on an important debate and desperately hope the Government will listen. I shall be listening particularly to my hon. Friend, the excellent Minister.

3.22 pm

Damian Hinds (East Hampshire) (Con): I join in congratulating my hon. Friend the Member for Harlow (Robert Halfon) on securing the debate, and the Backbench Business Committee on continuing its programme of ensuring that such topics as this, which need a fuller airing, get one.

I want to take a slightly different angle by focusing briefly on some of the commercial aspects of the matter, and the business models of the leading web property operators that we are mainly concerned with in the debate. It is important to understand the motivation behind some of the issues that have emerged. At the outset I want to make it clear that, like my hon. Friend the Member for Harlow, I am both a user and an admirer of Google, Facebook and similar companies. I am also a capitalist, and I do not think that the pursuit of profit is a bad thing. However, even in free-market liberal democracies—in fact especially in such democracies—we take a legitimate interest in companies' activities and power, and how those things may act for or against consumers' true interests.

I do not need to repeat all the ways in which the internet makes the world a better place. In terms of productivity, communication, research, accessibility and so on, it is fair to say that the world has changed dramatically since a great Briton, Tim Berners-Lee, invented the world wide web. In commerce, the web makes markets more efficient by making it easier for buyers to find sellers and vice versa, and search engines, including pay-per-click marketing, play a big role in that. Because of the competitive auction nature of pay per click, there is a natural upward pressure on costs, which over time transfers more value to web intermediaries. Ultimately, of course, that has to be paid for by someone, and that someone—quelle surprise—is the consumer.

Those new costs have been affecting the public sector as well. In the answers to parliamentary questions that I tabled to seven Departments, it turned out that in 2009-10 £5.5m of taxpayers' money was spent on pay-per-click advertising for the Government. That was an increase of more than 70% on the previous year. Given that much of that went on things such as swine flu awareness, one might question whom exactly the Government were competing against for those search terms, and indeed why search engines needed financial inducement at all to make such information available readily and easily to the general public.

Although we speak generically of search engines, anyone who has worked in online marketing will confirm that in reality there is only one show in town: that show, of course, is Google. If you push them, people know that Google is a commercial enterprise, but in my experience in business and anecdotally people do not tend to think of themselves as customers of Google. They choose to use Google much as they choose to walk down the public street. It is just there; it is what people do. I suggest that, deliberately or otherwise, Google reinforces that image of itself with, for example, its very plain home page, and particularly the term "sponsored links" that appears above its adverts. It makes them sound like some sort of charitable exercise, contributing to the inevitable costs of running a website. Of course they are not sponsored links, but highly targeted advertisements, which are a very big generator of profits.

I am sure that most hon. Members are aware that the formula used to determine placement on a search engine's page is CPC x CTR. That means the cost-per-click bid multiplied by the click-through rate. Search engine executives will explain that that is the best formula to optimise the user experience and make sure that the content that appears is the most salient. Hon. Members who were particularly sharp at GCSE maths will also have spotted that it is the optimal formula for maximising the profit per available square inch on the screen.

Although Google operates many businesses, it is those adverts that generate the $23bn of global revenue for the company—the vast bulk of its overall sales. Google started life as a technology play, but today—let us be clear—it is a marketing, sales and advertising company. Why is that relevant to privacy? Because knowing more and more about people achieves two things. First, accumulating data and information on more and more things in one place creates—and protects—a position whereby that place is the default place to go to look for stuff. That is ultimately more attractive to advertisers, who pay the bill. Secondly, and even more importantly, it makes better targeting of the adverts possible. That in turn creates even more value for advertisers.

There is nothing wrong with good targeting. Anyone who has worked in marketing will say that trying to understand the customers better is central to the exercise, and people have always done it. Direct marketing, list marketing, or just plain old junk mail have been around an awful long time; and more recently, of course, loyalty cards have helped companies to fine-tune and hone their targeting. However, the internet is a different medium, and it is meant to put people more in control. Given that the issues that we are discussing are relatively new, and certainly not universally understood, there are questions about how consumers want to be targeted for marketing.

In pay-per-click marketing, there is a transition over time from active search, which is what most people associate with Google, when they think about it, towards contextual marketing, and ultimately to behavioural and characteristic marketing. Active search marketing is what happens when people actively search for x. In the search returns, as well as x, they will also get adverts for various other things, and commercial enterprises. Contextual marketing is what happens when people go to a website and all around it are ads for other things that are related to that website, whose content has automatically been worked out. Behavioural and characteristic marketing is not about what someone is looking for or at; it is just about the person. It is targeted marketing based on things about that person that they have themselves explicitly revealed, things that can reasonably be inferred, or things that can be guessed about them from their behaviour—what they have bought, what other websites they have looked at, and so on.

All three types have their place and will often be valued by consumers as well as advertisers. The first sponsored link on a search returns page is often the one the person is looking for, and that saves them looking further. Someone who is looking at a travel agency may well welcome an advertisement for a guidebook to the place they are going to. I do want to be told when tickets become available for a tour by a band I particularly like. I am perfectly happy for Amazon to recommend to me a reading list based on things I have bought from it before. However, there are also important issues to do with protecting consumer sovereignty.

First, there is a question of the use of explicitly revealed information. People who reveal information about themselves on, for example, a social networking site—various hon. Members have mentioned this—may not realise that such details will be used in order to sell to them. They may also not know about the cross-ownership between different web properties, which means that what they reveal on one site may be used by another. There is also the potential for scraping, which was alluded to by my hon. Friend the Member for Harlow.

Secondly, there is a considerably bigger question about information that people have not explicitly revealed about themselves. That may be characteristics, such as where they live and whether they live in a big house, or behaviours, such as the websites they have visited or the television channels they have watched. Web operators will give all sorts of assurances on such points. They have privacy policies and customer charters and say things like, "Don't be evil." Then along comes the BT Phorm case, which has been alluded to, or the Google Street View snooping case, and they serve to remind us of the potential that exists.

Indeed, in the case of media that are as dominant and as ubiquitous as some of the web properties that hon. Members have talked about today, I do not believe that relying on individual companies' privacy policies is sufficient or appropriate. Although we do not want unnecessary regulation or to stifle what is still a very dynamic sector in which this country has a leading role, we need to consider two key things. First, we need to institute explicit rules on the usage of personal revealed information for marketing purposes. For example, it might be standard to have an explicit, active and time-limited opt-in for the use of personal data for marketing purposes. Given the fast-moving nature of the sector, such issues need to be constantly revisited, as my hon. Friend the Member for Milton Keynes North (Mark Lancaster) suggested.

Secondly, we need to bring in seriously punitive fines for the use of non-actively revealed personal data, including behavioural data. That will seriously focus the minds of people who are engaged, or potentially engaged, in such activities and ensure that those abuses never have to be apologised for again. The sort of independent commission and voluntary charter that my hon. Friend the Member for Harlow referred to may well be the ideal route. If not, this is a very legitimate area for Government intervention, and I look forward to hearing what my hon. Friend the Minister has to say on the matter.

3.32 pm

Mike Weatherley (Hove) (Con): I thank my hon. Friend the Member for Harlow (Robert Halfon) for initiating this debate. I should like to draw hon. Members' attention to my declaration of interest. At heart, I am a libertarian. As a general rule, I abhor state interference. I believe in free markets and feel that Government tend to hinder rather than enhance enterprise and creativity. However, I will argue today that some Government interference and regulation are essential. I am certainly against any information being stored about me without specific consent. That seems obvious and the Government should quickly address the matter through regulation.

[Mike Weatherley]

My contribution to this debate is to do with intellectual property, piracy, the balancing of civil liberties with individual freedoms, and the protection of copyright holders. In September, I attended a week-long forum organised by the UN on worldwide internet governance. To some hon. Members, that may not seem like a lively and riveting subject, and, to be honest, parts of it were a little dry. None the less, there was some very interesting information to take away. The attendees were from a wide background. They were internet technical specialists, civil servants, pressure groups and so on. Disappointingly, there were few Government Ministers or Members of Parliament from around the world, other than some from east Africa and six from the UK Parliament. The pirate party from Sweden was also represented. That latter inclusion gives a flavour of what the debates tended to centre on.

Many groups were quite rightly concerned about child protection issues. Other than that, however, there was a general feeling that the internet should be totally free and that any regulation should be resisted, especially Government-type controls. However, it is my belief that that is a recipe for disaster. The internet is all-powerful, with an increasing flow of digital information, be it written, musical, on video or pictorial. It is providing for a world economy that is both fast-reacting and, for some, increasingly obscure. Anomalies are already showing up, as we have heard. At the forum, we learned that India does not have a data protection Act, so data stored there are not under the same rules and regulations as they are here.

However, the biggest threat to commerce and innovation is where creative works can become "owned" by users of the internet, rather than those who are creating the works. As we know, file sharing has become rife. At the forum, the prevailing view was that music downloads cannot be stopped, so we should let people get on with it. That is simply nonsense. Certainly, business models need to change so that musicians can recover revenues in different ways, such as on live tours. However, if all creative works are suddenly to be public property, our creative industries are at risk.

Damian Collins (Folkestone and Hythe) (Con): It is not simply that the internet, or search engines such as Google, are allowing free access to such work; as my hon. Friend the Member for East Hampshire (Damian Hinds) mentioned, they are a making a profit from such access, and are making money from aggregating other people's content.

Mike Weatherley: Indeed, and to add to my hon. Friend's point, the money that is being made is not finding its way to the owners of the creative works. Let me give a quick example from Spain, where there is a free-for-all internet culture. Various leading movie studios are actively considering banning DVD sales in that country. Sales of DVDs fell six times faster in Spain than in the rest of Europe. There were 2.4 billion unauthorised downloads of music and movies, which represents 50 downloads per Spaniard, which is just huge. Unfortunately, the UK is going in the same direction.

There must be reward for inventors and artists to enable those sectors to flourish. We cannot allow the UK music industry to be decimated. I have submitted some parliamentary written questions to discover just how important our overseas earnings from music are to our economy, and to find out how many jobs are involved. I do not need the reply to know that the figure is very high indeed.

The Digital Economy Act 2010, which has been referred to, has started to recognise the problem, and the Gowers report made a firm commitment to protecting copyright owners. However, favourable reports will not save the situation if there is not some control of the internet by a responsible governing body that looks out for the interests of creative individuals. The Digital Economy Act has flaws, and the appeals process is one such flaw. However, what the Act does is enshrine the right of individuals not to have their works stolen. I therefore commend my hon. Friend the Member for Harlow for initiating this debate.

Dr Huppert: I suspect that we need to talk further about the interpretation of the Digital Economy Act 2010. I am glad that my hon. Friend accepts that it has flaws. Does he not accept that there is already provision in law for people not to have items stolen? There is a huge amount of legislation covering theft, fraud and all sorts of other issues, and my hon. Friend is in danger of saying, "We must do something. This is something. Therefore, we must do this."

Mike Weatherley: I thank my hon. Friend for making his point. None the less, the view from the UN internet governance forum, which was attended by representatives from around the world, was that the internet cannot be controlled, and so everything should go free. We have heard today that that is simply unacceptable and that there is scope for legislation.

I commend my hon. Friend the Member for Harlow for initiating the debate, and urge all parliamentarians to get behind moves to ensure that our personal freedoms are not eroded by those taking advantage of this rapidly changing medium. They should support legislation and committees and call for proper regulation across the board. They may temper that regulation so that we have only what is necessary, because we do not want strangulation by regulation. It is a difficult line, but one that we must get right—and quickly.

3.38 pm

Chris Kelly (Dudley South) (Con): I am grateful to you, Mr Weir, for giving me the opportunity to speak in this important debate on the internet and privacy, and I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on securing it. I want to preface my comments by saying that I am not particularly a civil libertarian, and I believe that the first role of the state and therefore our Government is to protect our population. To do so effectively requires sacrifices in the civil liberties that we would all ideally like to have all the time. For the population in modern Britain to be protected, we must accept that some of our liberties have to be curtailed slightly, or pooled for the greater good. In our liberal democracy, if a person has nothing to hide, they have nothing to fear.

What I am about to say about Google is not in any way a criticism of the industry or individuals within one company. It is an important industry and a major employer in the UK. I am actually a great admirer of Google and have been using its online services, particularly

its search engine service, for 12 years or so. The company provides a first class service, and who here has not Googled themselves?

I want to cover the issue of Google's aforementioned Street View project, which went live in March. The project was undoubtedly a brave and innovative commercial decision. It was a logistical task that is probably on a par with carrying out a population census. It has also been a hugely expensive task for the company. Like my hon. Friend the Member for East Hampshire (Damian Hinds), I am a capitalist and therefore I admire Google's willingness to take a risk and provide a hugely innovative new online service. However, as my hon. Friend the Member for Harlow stated, there are a number of legitimate concerns about the way that the project was developed and about the regulator's response to the legitimate concerns of many private citizens about the project.

The main concern is about data capture. As Google's cars drove around the UK and many other countries, the wi-fi receptors on board captured information being transmitted online over the networks around them. What was captured, how much was captured and from whom is currently unknown and unclear. Encrypted and unencrypted data were captured. Given the number of people affected, it is almost certainly the largest intrusion into privacy ever to happen in this country. The code that enabled the capture of data from unknowing people by Google's cars as they were driven through neighbourhoods was apparently written in such a form that encrypted data were separated out and dumped, specifically sifting out and storing the vulnerable unencrypted data on Google hard drives. If that is true, that goes well beyond the "mistake" explanation that was given to us by Google. Therefore, the question is whether Google intentionally breached the privacy of many people's communications.

Steve Baker (Wycombe) (Con): Does my hon. Friend agree that one of the great things about this debate is that it highlights the need for everyone to secure their wireless networks? I happen to be a software engineer, and I am struck by the fact that using an unencrypted wireless network is equivalent to shouting our personal details on a bus. Does he agree that we should all secure our networks?

Chris Kelly: Absolutely. I am very grateful to my hon. Friend for that intervention, and I will talk about locking routers very shortly. His point is very valid.

Dr Huppert: One thing that has been very good has been the expanse of wi-fi that has become available, which encourages people to use open networks. How will the hon. Gentleman fit that development into his proposals?

Chris Kelly: Again, I will touch on that issue very shortly. We all go to coffee shops and the like that have unsecure networks, and of course there is an element of choice in doing so. However, people in their private homes need to be aware that it is possible to lock their routers, and people need more education about that option. That is probably a job in the first place for the providers of the broadband services.

Robert Halfon: I should like to touch on the point about securing networks. To use an analogy, does my hon. Friend agree that, if someone leaves their window open and a burglar comes into their house, it is not the home owner but the burglar who is at fault? If it is being suggested that we should have to block our wi-fi and have special security—whatever that may be—that is, in essence, putting the responsibility on the individual, rather than on the "burglar" in the first place.

Chris Kelly: Things are not ideal—we live in an imperfect world—but the fact is that people need to be aware that it is possible to lock their wi-fi routers, and they should be encouraged to choose that option. To continue with that very point, the data capture by Google could have been avoided if everyone in the country locked their wireless routers, thereby encrypting their data. But not everyone is aware that it is possible to lock their routers and many businesses, such as the pubs and coffee shops that I mentioned earlier, offer unlocked wi-fi as a service to their customers. We do not encrypt our telephone calls or our post, but we still have a legitimate expectation that others are not prying into them, and indeed doing so is a criminal offence.

Google's wi-fi intrusion has been brought to the attention of the Information Commissioner's Office, as we heard earlier. However, the ICO only sent two non-technical staff to Google's headquarters, which is the heart of what is perhaps the world's most technologically advanced company. Those non-technical staff then looked at only a small sample of data taken from what Google chose to show them and promptly issued a press release that effectively cleared the company of any wrongdoing, in the middle of a formal police investigation into Google's actions.

I question whether the regulator acted appropriately in this instance. The ICO now effectively refuses to investigate Google, while its counterparts in countries such as New Zealand, Australia, Canada, Germany, France, the Czech Republic and Italy all pursue the company on the issue of privacy, and the authorities in South Korea physically raided Google's offices in the country. In addition, 38 US states have united to probe the company's behaviour and a thumping class action has also been issued in America.

In Britain alone, the relevant commissioner has not taken the severity of the company's wrongdoing seriously enough. The ICO has really let the British people down in that regard. We deserve better from those who are given the responsibility of protecting our privacy. After all, the Metropolitan police are currently investigating Google over this issue. If the allegations against Google merit an investigation by the police, who have to consider the criminal standard of fault, how is it plausible to say that those allegations do not merit an investigation by the ICO? I also question how sensible it is for the regulator to issue a press release when a Metropolitan police investigation is still under way.

To be fair, Google is hardly the only offender in privacy terms. Other hon. Members have mentioned sites such as Facebook, which I personally use avidly to communicate with more than 1,000 of my constituents. More generally, all the social networking media have privacy issues, but of all the providers and organisations

[Chris Kelly]

working online. Google is the only one that I know of that has roamed the streets, taking data from the airwaves. That puts them in a special category.

Apart from the seizing of data by Google cars for Street View, like most companies in the online space, Google can generally defend its products when challenged about privacy or intrusiveness by pointing to the implied or explicit consent of users to surrender or generate data that will be retained by the company. However, that does not apply to Street View images, which are of homes whose owners have not consented to having such images shared and of members of the public who have not consented to having their bodies displayed.

In conclusion, this is perhaps the largest invasion of privacy ever to happen in the private sector in the UK. Moreover, it appears that it was only halted after the company involved got caught. So I am pleased that we have been able to debate these issues fully in Westminster Hall today, and once again I congratulate my hon. Friend on securing this important debate.

3.46 pm

Ian Lucas (Wrexham) (Lab): It has been a real privilege to be here this afternoon to listen to the debate, which has certainly been educational for me. I commend the hon. Member for Harlow (Robert Halfon) for taking the opportunity to initiate this debate and I also commend the Backbench Business Committee for choosing this debate for Westminster Hall. We are at the beginning of a very important process and the hon. Gentleman can take great credit for initiating the debate today.

I particularly want to praise the hon. Gentleman for focusing on the invasion of privacy by private organisations. Although there have been many discussions about personal liberty during the past decade in the context of terrorism legislation, as the hon. Member for Cambridge (Dr Huppert) observed, the focus in those discussions was very much on the position of the state. While that debate has been happening we have paid too little attention to the increase in the collection of information by private organisations. It is very important that we are discussing this issue today. We need to be at the beginning of a process that deals very seriously with what is a difficult and complex issue. I think that that complexity is the main reason why it is only now that the general public is waking up to what is already happening in the internet sector.

The contributions from all Members who have spoken have been very valuable. I want to refer to those contributions, as they deserve further discussion, and I hope that we will discuss them as we take the debate further forward. The hon. Member for Cambridge perhaps concentrated more on the state aspect than any other speaker so far. We had many debates before the last general election on the issues related to the state and I think that today we should concentrate on the issues relating to internet privacy and private organisations. We need to focus on that aspect.

Steve Baker: We are talking about who owns the body that collects the data, but for me that is rather the wrong way round. Surely the vital question is this—whose property is information about a person when it is transmitted? I ask that question, because surely that is what we mind; the infringement of information about ourselves being collected, whoever is collecting it. So, let us look at the property rights, but can we change things around and focus on the individual and not on the person or the body that collects information about the individual?

Ian Lucas: That is helpful. We need to consider the position concerning regulation on the issue. I will come to that later in my remarks.

It might be helpful to refer back to the present position as far as I understand it. It is a complex area, so I might get some things wrong. The Data Protection Act 1998 established principles for the retention of personal data, and the Information Commissioner has had a role in supervising those principles generally. The Information Commissioner has been referred to several times. I certainly agree that he needs to push the boundaries of his powers in protecting the individual's rights, and I do not think that that has happened sufficiently in the past.

In respect of private marketing, the Privacy and Electronic Communications (EC Directive) Regulations 2003 focused on the sending of unsolicited marketing messages by e-mail, and consultation on the further development of regulations in that area is taking place. The history of regulation is a consistent race between technological development and legislation. One example is the Data Retention (EC Directive) Regulations 2009, which included internet activity in the communications data to be retained for a year by communications providers. All those regulations should be viewed against the backcloth of the Human Rights Act 1998 and its attempt to balance privacy and freedom of speech. Recent developments in the common law on privacy add to the mix, making the legal position even more complex.

It has been said in this debate that in some respects, the United Kingdom has been slower to act on such issues. I believe that part of the reason is that the English legal system does not have the same common law right to privacy that many other countries do. For example, France and Germany have laws specifically to protect individuals from invasions of privacy. I think that most people are surprised by the limitations on enforcement of privacy rights within the UK. The tools that exist in common law are very limited.

We have a difficult balancing act when trying to take matters forward. I was the Minister for Business and Regulatory Reform before the general election and, although it may come as a surprise to some Members here, I always adopt the principle that one should regulate as a last resort, only in pursuit of a particular policy end and where other options are not available. My first reaction to proposals to reform the legislative or regulatory framework is to ask whether we can use some form of self-regulation. I think that we all accept that it is a difficult problem that we need to confront. Can we do so through self-regulation within the industry? Self-regulation would have some advantages. The problem is not, of course, confined to the United Kingdom.

Robert Halfon: I thank the hon. Gentleman for his thoughtful opening remarks. On the voluntary side of things, that is exactly what I argued. I suggested that we should have a code, in the same way that the British

Medical Association has a code for doctors, lawyers have a code and so on. That should be the first course of action, rather than the immediate implementation of state action.

Ian Lucas: We should certainly consider that approach. However, I was going to conclude that I do not think that it will be sufficient; I think that some other Members have also taken that view. Self-regulation in media organisations has not had a happy time recently in the United Kingdom. The Press Complaints Commission comes immediately to mind; it has failed badly in the *News of the World* inquiry and case. I am suspicious of over-mighty international media organisations. What happened in that context—there was a regulator and a voluntary regulatory system—could certainly recur in the case of an organisation such as Google, for example, about which we have heard a lot in this debate. Google is a powerful, rich and monopolistic organisation. What happens in a self-regulatory system where the powerful, over-mighty subject ignores the regulator?

Damian Collins: Does the hon. Gentleman think that the problems that he is describing are endemic in all large organisations that handle large amounts of personal data, whether they are search engines, mobile phone companies or banks? It takes only a certain number of rogue employees to release for personal gain private information to which they are privy. The steps that a company can take to protect itself from that are serious, but also complex.

Ian Lucas: Indeed. One problem with a Law Society or BMA model, with respect to the hon. Member for Harlow, is that although that would be an appropriate way to proceed for some of the organisations involved in collecting such information—they are responsible professional organisations and would act responsibly—unfortunately, it would not be appropriate for all. Other organisations might take a much more laissez-faire approach—if I dare use that phrase in the presence of so many Conservatives—and would not deal with the issue responsibly. I am concerned that a self-regulatory system might not be as effective as we would like.

Damian Hinds: Does the hon. Gentleman not agree that there are many different versions of and variations on self-regulation? For example, the Advertising Standards Authority model is completely different from that of the BMA. Surely it is possible to design a model to have the right amount of independence as well as teeth, so that it gets the respect and compliance that we want.

Ian Lucas: That may be. We are at the beginning of a debate, and I am setting out my personal views at this juncture. When I conclude, I will agree that we need to examine the matter in more detail, but those are my concerns about a self-regulatory framework. With fines, for example, it is difficult to create an effective system that imposes large financial penalties on companies that do not wish to pay them. If the fines involve hundreds of thousands or even millions of pounds, only the force of law will be sufficient to ensure that the necessary action is taken.

Damian Collins: I thank the hon. Gentleman for giving way a second time. He is right about fines, but I think that it is possible. I speak from experience, having worked in the advertising industry. An advertiser that breaks the Advertising Standards Authority code may be forced to withdraw an advert that it might have spent hundreds of thousands of pounds making. That is why self-regulation and enforcement of the code are effective in the advertising industry. In the case of the Press Complaints Commission, by contrast, a slap on the wrist or an article in a newspaper is a small price to pay.

Ian Lucas: That may be the case. We can discuss it as the conversation continues beyond this debate. The hon. Member for Wycombe (Steve Baker), who is no longer in his place—he seems to have disappeared—pointed out a moment ago that information belongs to the individuals who give it in the first place. That is a strong point.

Part of the problem with the issue is that when people use their computers—this certainly applies to me; I am not a geek of the type described by the hon. Member for Cambridge—it does not always occur to them that they are passing on to a third party which books they like or what articles they are interested in. I think that most people are in that position. They concentrate on what they are using the internet for, and it is incidental to them that that information is being secured by a third party. I think that they would be shocked to learn that it was being traded for marketing purposes. The difficulty is that that process is already happening, because people are using the internet and have been for such a long time.

Eric Joyce (Falkirk) (Lab): Is what my hon. Friend has just described not simply a corollary? Someone goes along with their credit card to buy a product and the information is known to Experian, which sells that information. Is it not just a case of people transferring their behaviours online? We are talking about the same stuff. We should perhaps not be too afraid of the fact we are behaving the same way on the internet as we would otherwise behave with our credit cards.

Ian Lucas: I am delighted that my hon. Friend is here; he is absolutely right. I feel slightly uneasy about such marketing—perhaps I am old-fashioned in that regard. What my hon. Friend mentioned is another reason to go wider in dealing with the matter. Rather than simply focusing on the internet, we need to consider how information about individuals is collected and used by third-party organisations. The primary purpose of, for example, a credit card is to buy something, not to give information to a third party. I think that someone said earlier that we need to educate the general public much more about the use of information, what is involved in the use of the internet and what information is being given to third parties. That is extremely important.

It is crucial that we give intense consideration to where we are. We need to consult widely with the industry, the internet service providers, the internet companies and the general public about how we deal with this difficult problem. People need to know much more about the scale of the information they are retaining and why it is being retained. I was slightly surprised by the hon. Member for Harlow talking about the extent of the information that Google has and the fact it has not given it to third parties. Why is it retaining that information, particularly when it seems to be very valuable? The exposition on marketing from the hon. Member for

[Ian Lucas]

East Hampshire (Damian Hinds) was very useful in that regard. The hon. Member for Bath (Mr Foster) said that the value of the internet is £100 billion in the UK, so we are talking about massive stakes.

What has come out of the debate is that we need to have a very wide discussion and recognise that private organisations must be scrutinised in exactly the same way and to the same extent as governmental organisations. We have got ourselves into a very serious situation. We have heard about different approaches from hon. Members today and, although shades of different views have been expressed this afternoon, there is recognition across the House that we need to get to grips with the issue. We are not talking about a partisan matter in the same way that some civil liberty issues have been partisan in the past decade.

We have made a very good start on dealing with the matter today, but we need to make further progress. The type of commission that the hon. Member for Harlow mentioned would be a good start, but we must ensure that it consults as widely as possible. An important role of that commission should be to publicise to individuals not just in the UK, but across the world the extent of the information concerning them that is being obtained by these very large—in many cases, multinational—companies.

Collectively, we can deal with the issue. It may be that we can do so through some form of self-regulation. That has the advantage of being applicable across the world, if we can get the biggest companies to buy into such a system. If we cannot do that, it will be a very serious matter. The privacy and liberties of individuals are extremely important and, if required, we need to put in place a system of legislation to ensure that their rights are protected.

4.4 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): It is a pleasure to serve under your chairmanship this afternoon, Mr Weir. I was going to begin by saying that today's debate was no time for clichés but that I felt the hand of history on my shoulder, because I was under the impression that this was the first Backbench Business Committee debate. In fact, it is the first such debate in Westminster Hall—there have, of course, been three previous Backbench Business Committee debates in the Chamber.

However, I will stick with the cliché that the hand of history is on my shoulder as I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on initiating this important debate, because I think it is one of the few times that Parliament has debated properly this important aspect of the internet—that is, how it affects people's privacy. I suspect that the issue was raised when the Digital Economy Bill was debated at length in the other place—it was debated only briefly in the House of Commons. There have been few, if any, debates on this important issue, which touches almost everyone's life, or at least those who go online.

Let me begin by setting out a few principles and general thoughts and approaches, before I talk specifically about the Government's approach to privacy on the internet. On the spectrum of opinion within the coalition, I should say that I am firmly on the civil libertarian wing of the Conservative and Liberal Democrat party. I believe that one of Government's watchwords should be "Protect individuals' freedoms." I campaigned strongly against identity cards, and I believe that the state should not intrude in people's lives, and should protect the freedoms of individuals when others seek to do so.

I also remain personally concerned about the very serious breaches of people's privacy on the internet. Many such breaches are unintentional and very few are brokered by internet-based organisations and companies. They are mostly down to the bad behaviour of individuals who would, no doubt, behave badly whether the internet existed or not. A story in *The Sun* today refers to a lady, Carolyn Owlett, who had her Facebook identity stolen and the serious consequences that had for her. The story is effectively about an unpleasant individual—not Ms Owlett, I hasten to add, but the woman who stole her identity—who used the internet as a tool with which to make someone else's life a misery. However, that story does not necessarily reflect badly on Facebook. I will come back to the possible remedies for such a situation.

It is important to put the debate in context. We are right to be concerned about the effect of the internet on privacy, but we should also remember that one of the reasons it is having such an impact is that so many of us voluntarily use it. There was a vigorous debate about Facebook's privacy settings, and that was perfectly legitimate. However, we should remember that the reason Facebook is a big company that knows a lot about many of its users is that almost half the population of this country are members of Facebook, as are more than 500 million people worldwide.

Picking up on the useful intervention of the hon. Member for Falkirk (Eric Joyce) and the illuminating marketing seminar given by my hon. Friend the Member for East Hampshire (Damian Hinds), we should remember that, when it comes to data harvesting, personal data have always been collected by commercial companies to enable them to sell products. I do not have a Tesco clubcard, but those who do are in effect given that card so that Tesco can monitor their spending habits and sell them more products.

Robert Halfon: I thank my hon. Friend for his opening remarks. Picking up on the credit card issue, when people get credit cards, they receive a clear letter inviting them to tick boxes to say whether they want their data to be passed on to other people. The point of my debate has been to say that, first, the scale of what is happening on the internet is much greater and, secondly, the individual is given no option to tick such a box.

Mr Vaizey: My hon. Friend has raised two very important points that encapsulate the two principles behind the debate, which is unsurprising, given that he secured it. First, the internet is an enormous step change in the collection of personal data. What are the implications of that? Secondly, given that enormous step change, what rights—I use the word advisedly—should consumers have to protect their personal data when they interact with organisations on the internet?

Another general point about internet regulation is that a consistent approach to it is rarely adopted. It is always interesting to see those who want the internet

to be regulated and those who do not. The hon. Member for Cambridge (Dr Huppert), who made a useful speech attacking the Digital Economy Act 2010, does not want the internet to be regulated when it comes to combating illegal file sharing, but he does want it regulated when it comes to protecting personal data. He kindly let me know that he would have to leave the debate at 4 o'clock to attend an event that he is hosting. He is very knowledgeable on the subject, and I hope that he will be prepared to share with me—an erstwhile colleague—the findings of the Liberal Democrat policy group on that issue, which will be an extremely useful contribution to the debate.

Mr Foster: I hope that my hon. Friend the Member for Cambridge (Dr Huppert) will share that information not only with the Minister, but with me; that is proving a little difficult at the moment. On a more serious note, I say to the Minister that one problem we all have in the debate is recognising that a balance has to be struck; we want to protect people's privacy on the one hand, and their livelihoods on the other. That is the difficulty, and it is probably one with which my hon. Friend the Member for Cambridge is still struggling.

Mr Vaizey: I hear what the hon. Gentleman says; when a senior Liberal Democrat comments that a junior Liberal Democrat is struggling with an issue, the junior Liberal Democrat should certainly take note of his colleague's experience in the matter. The hon. Member for Bath (Mr Foster) made an incredibly useful contribution to the debate, as he always does, and mentioned the report published today by the Boston Consulting Group, which might have been commissioned by Google. The report estimated that in the UK alone, the internet economy is worth £100 billion. He was right to point out that a balance has to be struck between how we regulate the internet and protect personal privacy online on the one hand, and the fact that it is now an incredibly important economic force on the other. One of the reasons for its economic importance is that it has had the freedom to develop and businesses have had the freedom to establish themselves online.

We should make no mistake that the internet is regulated, a point that I make time and again. There sometimes seems to be a lazy assumption that what happens on the internet is beyond the law. That is absolutely not the case; illegal activity is still illegal, whether or not it takes place online. Indeed, we have a sophisticated and comprehensive regulatory framework that is intended to protect the individual, both offline and online. Matters of online privacy are regulated through the Data Protection Act 1998 and the Privacy and Electronic Communication (EC Directive) Regulations 2003, not to mention the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Much of that is enforced through the Information Commissioner's Office, which is responsible for upholding information rights, promoting openness by public bodies and enforcing data protection rights for individuals. Where a breach of those laws amounts to a criminal offence, appropriate enforcement action can be taken, either by the police or the Information Commissioner.

We all recognise, however, that there are practical differences between the online world and the physical world, which can cause difficulties for individuals and companies. My hon. Friend the Member for Harlow suggested that perhaps the time has come for an internet Bill of Rights, and I hear what he says. The Information Commissioner has published a code of practice on the collection of personal information online, and I have a copy here. It is 36 pages long and densely printed—I do not think the commissioner has worked in public relations—so I am not sure that it is being read in the Dog and Duck, but at least the detail exists. The commissioner would do well to meet my hon. Friend to discuss how the code of practice could be promoted and whether it meets some of the concerns that his proposed internet Bill of Rights would seek to address.

The code of practice sets down detailed guidance for public and private sector organisations operating online. It covers topics such as online marketing, cloud computing, the protection of young people online and, of course, privacy settings. The document is not set in aspic, and we continue to debate with a range of stakeholders how we can improve privacy online and other concerns. Only yesterday, the Department for Business, Innovation and Skills held a meeting with more than 100 stakeholders from across the sectors, including consumer interest groups and Consumer Focus, to discuss that issue. The ICO, as well as publishing the guidance, expects organisations to recognise that online processing brings with it new risks to individuals and that the mitigation of those risks requires careful consideration of privacy impacts before products and services are launched.

I want to take that further and to see businesses signing up openly to the ICO's code of practice to demonstrate to their users that their services adhere to the highest standards. I cannot remember who asked, in an intervention, whether some sort of kitemark might be useful for internet sites. If an internet company signs up to the code of practice and adheres to it, I think that that information should be clearly displayed on their home page for the reassurance of consumers. Indeed, a link to that code of practice might be provided—not necessarily 36 pages of dense text, but an easy-to-read summary that aids the consumer in understanding privacy implications.

Ian Lucas: One of the difficulties with kitemarks on the internet is that one often has to go to a particular site to obtain certain information, and if one leaves a site that does not have a kitemark, one does not get any information. Although the kitemark is a good idea in principle, it would have to be exhaustively followed in order to succeed.

Mr Vaizey: I understand the hon. Gentleman's point, but I want to see self-regulation and voluntary action by organisations on the internet. That is a theme that I want to develop in my speech—I have only one hour and 10 minutes remaining, so I will try to speed up a bit. We have a code of practice that many companies say they adhere to, so that information should be made available to consumers. Critical momentum could be built up if more well-known and legitimate websites signed up to the code, made that plain on their home pages and allowed consumers to see what that code states.

Damian Hinds: Does the Minister agree that the Information Commissioner's 36-page document is challenged, in terms of length and density, only by the typical set of terms and conditions found on most

[Damian Hinds]

websites? One baby step, perhaps as an interim stage towards the developments that we all want to see, might be to encourage all websites to produce a much simpler version of their terms and conditions—perhaps only half a page, explaining in clear English the sorts of uses to which their data will be put.

Mr Vaizey: I could not agree more with my hon. Friend. I used to be a lawyer; he used to be a marketer. Marketers are far more useful to society than lawyers. The trouble is that the terms and conditions are written by lawyers who want to cross every t and dot every i to protect their own back in every eventuality. What the consumer wants are easy-to-understand guidelines. That is something that I want to look at with the major internet service providers and websites. I shall expand on that point later in my remarks, probably at about 10 minutes past 5.

The Information Commissioner's enforcement powers under the Data Protection Act 1998 and the Privacy and Electronic Communication (EC Directive) Regulations 2003 include the issuing of information notices to request information so that he can establish whether legislation is being complied with by an organisation. He can issue enforcement notices if he is satisfied that a data controller—that is, a website—has contravened or is contravening the legislation, for example by failing to process data fairly and lawfully. In addition, the Information Commissioner can issue a civil monetary penalty of up to £500,000 for serious breaches of the Act, although that power only came into force in April 2010. That is an important point, given that I am about to speak about Google Street View and the controversy that surrounds it.

My hon. Friend the Member for Harlow made it clear that part of his reason for calling this debate was to discuss Google Street View and the harvesting of data. Although my hon. Friend the Member for Dudley South (Chris Kelly) is not a civil libertarian, he pointed out that that was possibly the greatest breach of privacy in the history of this country, given the huge amount of data that were collected, although I am not sure that it ranked with the two CDs that went missing from the Inland Revenue.

I am able to update the House on the position. The ICO learned from Google in May that, in addition to the mapping exercise that it was supposed to be undertaking, its Street View cars had unintentionally collected payload data from unsecured wi-fi installations as they passed. It is the Information Commissioner's job to consider whether in such circumstances there has been a breach of the law. He has been considering the issue and, importantly, has been discussing it with information commissioners in many other countries, including Canada, which my hon. Friend the Member for Dudley South mentioned.

Given that Google reported the breach, the best practice at that point would have been to delete all the data. However, as the Metropolitan police were considering whether the breach warranted an investigation, the data have been kept for evidential purposes. I understand that the police have decided that it would not be appropriate to launch a criminal investigation, so I will meet the Information Commissioner next week to discuss what next step he intends to take in respect of the data, and Google's breach of data protection. I do not want to pre-empt what the Information Commissioner will decide to do, but normally he would work with the organisation that has committed the breach and put in place mechanisms to ensure that it does not happen again. What is clear is that the Information Commissioner does not have the power to levy a fine because, as I said earlier, that power did not come in until earlier this year.

It is interesting to note that the Federal Trade Commission, which has also been investigating Google's breach, issued a letter yesterday pointing out that it, too, will not pursue Google on the matter on the basis that, in a series of public round-table events that the FTC hosted during the summer of 2010,

"Google has recently announced improvements to its internal processes to address some of the concerns raised",

including

"appointing a director of privacy for engineering and product management; adding core privacy training for key employees; and incorporating a formal privacy review process into the design phases of new initiatives. The company also publicly stated its intention to delete the…data as soon as possible",

and gave assurances that none of the data would be used

"in any Google product or service, now or in the future."

The other lesson that should be learned from what happened with Street View is that we are in uncharted territory. As the small smart cars with large cameras appeared in our streets, little action was taken by anyone. We took it in our stride—well, my hon. Friend the Member for Milton Keynes North (Mark Lancaster) reminded us that his constituents took action by blockading one of the cars.

My recommendation is that when an organisation undertakes an exercise of that kind in the future, the ICO should put in place ground rules and discuss with it what measures will be taken, so that the organisation does not inadvertently breach data protection rules. I certainly think that if an organisation such as Google decides in the future to undertake a harvesting procedure of that kind, that is what the Information Commissioner should do.

Hon. Members also raised concerns about companies that search the web looking for adverse comments made by customers or staff members on blogs or social networking sites. My hon. Friend the Member for Harlow said that that was out of order. With the greatest respect, I would say to him that that is possibly an example of where we seem to believe that doing something on the internet is wrong when doing something like it offline would be acceptable.

For example, people post comments online. When they do that, they put them into a public space, if they decide not to put in place any privacy settings. They have to comply with the law in the United Kingdom as it stands—the comments cannot be defamatory. This is a matter of judgment for the individual company in terms of its reputation and relationships with its employees and customers, but there is nothing technically wrong in searching websites to see what comments have been made about an organisation. Indeed, as my hon. Friend the Member for Dudley South said, almost poetically, which one of us has not entered their own name in a Google search?

Robert Halfon: What my hon. Friend is missing is that it is not just basic things that are being scraped. People's passwords, user names and e-mail addresses are being passed on to companies without permission, but when people go on to such sites, they are not made aware that that will be done.

Mr Vaizey: That is a separate point. The point I am making is that if companies decide to search the web to see what people are saying about them online, that is a perfectly legitimate exercise, although there may be a different point in respect of their reputation. What my hon. Friend says about the use of people's data without their knowledge is important, and I will come on to it, but although I now have an hour left to speak, I have been passed a note by my official which says that I need to speak for only 20 minutes. That gives a flavour of how well this speech is being received, at least in official terms.

Robert Halfon: This is totally different from searching online in case anyone said anything. Companies are going into people's private accounts. It is exactly the same as someone going into another person's house without permission to check whether they are doing something. They are going into people's private accounts, which is different from just a general search.

Mr Vaizey: If my hon. Friend gives me some evidence, I will look at it and have no hesitation in passing it on to the Information Commissioner, because that behaviour is clearly a breach of data protection.

Mr Foster: Given that the Minister is talking about the importance of freedom, openness and so on, could he make available to all Members a copy of the note he just received so we can have a word with his official and point out that the Minister does not need to speak for 20 minutes?

Mr Vaizey: I think that that would be a breach of my official's privacy.

I shall turn briefly to Facebook and the consumer's right to privacy. As I have already talked about the personal information online code of practice, hon. Members will be aware that there was great controversy earlier in the year about Facebook, because its privacy settings were seen as unclear. Its default settings put one in the public space as opposed to the private space, so, suddenly, one had to opt out of rather than into that sphere. I am delighted to say that Facebook has been working closely with colleagues at the Department for Education and is now a member of the UK Council for Child Internet Safety, as is Google and BlackBerry. As such, it follows the good practice guidance—produced to guide companies that provide internet services popular with children and young people—about what additional safeguards it can put in place to protect children online and provide a positive online experience. The guidance includes advice on companies' obligations to ensure the privacy of their users' information and on options and settings they can provide users to protect privacy further, and it recommends making information on safety and privacy easily accessible to users, so they understand the privacy options available. The UKCCIS continues to work with companies providing internet services used by children, including Facebook, to improve safeguards, including safeguarding their privacy.

On scraping and cookies, as I am sure hon. Members are aware, a cookie is a piece of text stored by a user's web browser. There are many uses for cookies, including authentication, storing site preferences and shopping cart contents and as the identifier for a server-based session. Cookies are also used to speed up the user's web browser as they help to remember the settings and options used the last time a website or page was visited. They have been a hot topic for some time. At the moment, information obtained through cookies can be used to categorise users' internet interests to serve adverts that match broad interest categories, though the user should be able to refuse the import of cookies on to their machines. Clearly, that has commercial benefits, and, indeed, benefits to the individual—we should not be shy about saying that, and my hon. Friend the Member for East Hampshire was clear about the benefits of targeted marketing to individuals. However, organisations have to ensure that users are aware that they are collecting such information and know why.

The revised e-privacy directive will give users greater control by requiring organisations to get their agreement before the information is collected.

Damian Collins: A campaign called Cookies for Kids raised that issue in the United States. Should there be greater restrictions on the use of cookies for information given by minors?

Mr Vaizey: In terms of the UK Council for Child Internet Safety, I think that the issue needs to be addressed. As a matter of principle, we all accept that children deserve greater protection than adults do, whether offline or when accessing content online. We will continue to look at that.

Let us make no bones about it. As the hon. Member for Bath made clear, the key issue is not necessarily the harvesting of data on shopping habits, but the harvesting of data without consent or knowledge. There are some who say for example that Phorm, the company with which BT carried out an experiment, was providing a perfectly legitimate commercial service in allowing organisations to monetise their presence on the web by targeting adverts at certain consumers: if a consumer is particularly interested in a type of car, that advert could appear on screen while they are reading a web page. The website—for example, *The Guardian* or *The Observer*—could charge more for that advertisement and, therefore, monetise its online content. That is a legitimate argument, but huge concern was generated because there was no transparency. It was done without consumers' knowledge and it was unknown what would happen to the data once they were collected or whether they would be transferred to third parties. At the heart of the debate is, above all, transparency over what data organisations harvest and the opportunity for the consumer to choose to opt in.

Damian Hinds: Does the Minister agree that such an opt-in must be an active opt-in? The ability not to have cookies exists on just about everybody's computer, but how many people understand it? It is a different proposition to have to say, "Yes, I want to be marketed at; I want people to know my preferences."

Mr Vaizey: That is an important part of the debate. I shall talk later about the regulatory framework on e-privacy on which we are consulting, and it will be

[Mr Vaizey]

interesting to see the public's response. There is certainly a strong argument that the consumer should not only be able to opt in, but know about their right to do so.

We are implementing changes to the e-privacy directive that strengthen privacy regulations in the online world, as part of our implementation of the European framework on electronic communications. We are consulting on those proposals, which could lead to changes to the privacy and electronic communications regulations and strengthen the Information Commissioner's enforcement powers.

The directive has three key elements. First, effective, proportionate and dissuasive penalties will be introduced for any infringement of the directive's provisions. Secondly, as part of the implementation of the revised e-privacy directive, we are also consulting on notification procedures for personal data breaches. We propose to ensure that the ICO issues guidance on any change to that notification mechanism and that the guidance will be the subject of a future consultation by the Information Commissioner. Thirdly, other changes to the e-privacy directive address problems with cookies, including any attempt to store information or gain access to stored information in a user's equipment using cookies by requiring the informed consent of the user.

The provision covers legitimate practices that enable the use of many popular websites as well as illegitimate practices, such as spyware and viruses, which are also addressed in other legislation. The Government's consultation on the implementation of the changes closes in December, and we will publish our response in spring 2011. The new measures will come into force on 26 May 2011.

Implementation of the electronic communications framework is not the only change that we are considering. Following the Lisbon treaty, as well as repeated calls to update the EU's data protection directive, we expect the European Commission to publish a draft comprehensive instrument for data protection in mid-2011. The new instrument may cover all activities within the scope of European Union law. To inform the UK's position for those forthcoming negotiations, the Ministry of Justice carried out a call for evidence for three months this summer to gain views on how the current legislative framework is working. Taken as a whole, those changes will usefully strengthen the regulatory framework governing privacy on the internet and will tackle some of the concerns expressed today.

As hon. Members have indicated throughout, there is a fundamental debate about the nature and scope of regulation. Business and the individual have a role to play in ensuring that both users and businesses are aware of their rights and responsibilities online. There is huge scope for self-regulation. The Internet Advertising Bureau has shown how industry can learn from consumer reaction and respond to consumers' concerns by developing good practice principles. It has developed a website—www.youronlinechoices.co.uk—dedicated to informing consumers about behavioural advertising and offering a simple opt-out mechanism, which it proposed in March 2009, and this country's advertising industry was the first in Europe to come up with a self-regulatory practice.

Discussions continue to take place between industry bodies at European level. Clearly, greater consumer awareness will help to address many of the concerns raised today and, with the Information Commissioner and industry, we will help with that in so far as is practicable.

I have spoken for almost 40 minutes, so it is time to draw my comments to a close. As a result of this debate and the thinking that went into preparing my comments, I intend to write to the major ISPs and websites, such as Google and Facebook, asking for a meeting. I want to discuss with them not just the general issue of people being aware of what data they may inadvertently be making available online, but the opportunity for redress.

I was struck by the comment from my hon. Friend the Member for Milton Keynes North about the women's refuge centre whose address was put online, and it was then unable to persuade the organisation that was carrying that information to remove it. That organisation had not deliberately put the information online; it was simply the vehicle on which the information was available. There may be all sorts of reasons why it was difficult to take that information down. It may be that having taken it down, the address simply popped up again elsewhere, but the fact that no meeting or dialogue could take place worries me greatly. I suspect that most hon. Members in the Chamber have had conversations with constituents who have seen information about them online and have simply not known where to turn.

Nominet, the charity that is responsible for internet domain names, runs an extremely effective mediation service, so that people who are disputing the ownership of an internet domain name may be involved in a low-cost process to discuss how to resolve that dispute. It is certainly worth the Government brokering a conversation with the internet industry about setting up a mediation service for consumers who have legitimate concerns that their privacy has been breached or that online information about them is inaccurate or constitutes a gross invasion of their privacy to discuss whether there is any way to remove access to that information. I am sure that many internet companies will say that that is almost impossible, but when one hears stories such as that told by my hon. Friend the Member for Milton Keynes North, one wants at least to attempt to give consumers some opportunity to have a dialogue with internet companies, as they would be able to do if a newspaper had inadvertently published that information.

I hope that hon. Members have found my comments helpful and that I have been able to put into context what is happening with Google's breach of data on Street View. I have set out my thoughts about personal remarks on the internet, establishing the regulatory regime for cookies and setting out the process that the Government are undertaking to strengthen privacy regulations on the internet alongside our European partners.

4.43 pm

Robert Halfon: I thank my hon. Friends and Opposition Members for attending this debate. Their comments have shown a wide depth of knowledge and real concern about the subject. In particular, I thank the hon. Member for Wrexham (Ian Lucas), the Opposition spokesman, for his response, which was far from party political and very thoughtful. I thank the Minister for his reply, and I welcome some of his comments and particularly his

decision to have a conversation with the Information Commissioner about future matters if anything like Street View happens again.

There is consensus that we are living in a privatised surveillance society and that no one quite knows what is happening, what internet companies are doing and what our rights are. I differ from the Minister in his view of the Information Commissioner's Office's 36-page compact. Its response thus far is more like Sir Humphrey than a shark with teeth, which is what it should be. Our data were taken away by internet companies; the ICO thought that nothing need be done about it; and only when it emerged a few days ago that our e-mails had been taken was it decided to open a new inquiry. The 36-page compact reminds me of the old 100-page constitution of the Soviet Union, which told everyone how free, wonderful and democratic the Soviet Union was. In reality, if there is a 36-page compact, it is certainly not working.

To return to the point that the Minister made about my hon. Friend the Member for Milton Keynes North (Mark Lancaster), it is great that he will hold a meeting to try to stop the problem, but it should not have happened in the first place. The whole point of my argument is that people should have been given a choice in whether their properties were put on Street View. We have not addressed that concern today, although I welcome some of what the Minister said will happen in the European Community and its various directives.

We need an independent commission because, whether we have a compact or not, things are clearly not working. Millions of people, not just in our country but throughout the world, feel deep unease and anxiety at the advance of internet companies and about our individual rights. That commission should be composed of experts, and it should analyse and examine the problem and come up with some solutions. We have a compact, but if that commission summarised those concerns into a Bill of Rights and could work out some sanctions on internet companies, that would be a small step forward.

Question put and agreed to.

4.47 pm

Sitting adjourned.

Westminster Hall

Tuesday 2 November 2010

[MARTIN CATON *in the Chair*]

Welsh Grand Committee (Scrutiny)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Bill Wiggin.)*

9.30 am

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): On a point of order, Mr Caton. I believe that this morning we are seeing a further example of the Government's contempt for Welsh Members and the procedures of the House. When I first sought the debate, with the support of a large number of Welsh Members, I was advised by both the Speaker's Office and the Table Office that the subject should be dealt with by the Leader of the House. Indeed, the debate was delayed by a week specifically so that it would fall in a week when he would be responding to debates in Westminster Hall. I have not been notified that he has declined to respond to the debate and has instead put up the junior Minister at the Wales Office to reply. The Leader of the House is clearly unwilling to appear here today to defend the Secretary of State's behaviour, even though it falls within his responsibility to do so. On a more important constitutional point, the opportunity that the Welsh Grand Committee provides for Welsh Members to debate properly major issues affecting Wales is a matter for the whole House, not just for Ministers in the Wales Office. May we please know who decided that the proper procedure should not be followed when making arrangements for the debate, and why?

Martin Caton (in the Chair): It is entirely a matter for the Government to decide which Minister will reply to debates. You have put on the record your grave disappointment that the Leader of the House is not present, Mr Michael.

Alun Michael: Further to that point of order, Mr Caton, may I therefore ask you to establish when and why it was decided that the Leader of the House would not reply to the debate, and to draw that sorry state of affairs to the attention of Mr Speaker?

Martin Caton (in the Chair): I am afraid that that is not a matter for me, Mr Michael. If you would like to take it up with the Leader of the House, you can of course do so. We must now move on to the debate.

Alun Michael: I am grateful for the opportunity to open the debate, and to the large number of Welsh Members, particularly Labour Members, for attending. They include colleagues from across the geography of Wales and from every level, from the oldest Members to the newest. Perhaps in one sense we should be grateful to the Secretary of State for her steadfast refusal to agree to hold a meeting of the Welsh Grand Committee to discuss the implications of the most serious constitutional change to threaten Wales for generations, because it has made us all the more conscious of the mechanisms that allow us to defend the interests of Wales and of the Welsh people in the House of Commons.

The subject of the debate is the Welsh Grand Committee and the scrutiny of Government policy as it applies to Wales. There is clearly a deficiency in how current legislation is debated. The failure to meet to discuss the current legislation goes beyond that individual topic and touches on how Welsh issues are dealt with generally in the House. Welsh Members have fought for proper representation over many years, and as the shadow Minister said in an excellent article in *The Western Mail*, the balancing of the interests of minorities with a national constitution is regarded as not just important, but essential in a number of other countries, such as Germany. There ought to be a balance that is not just about simple, crude arithmetic.

Representation of constituencies in Wales will be damaged by the provisions of the Parliamentary Voting System and Constituencies Bill. It is about not only the reduction in numbers, but the fact that the reduction can be achieved only by tearing up the principle of representing communities of interest in each part of Wales and the principle of respecting the links with local authority boundaries and, above all, by tearing apart the constituencies that are currently represented by both a Member of Parliament and a Member of the National Assembly for Wales. That cannot be right.

Even worse is the lack of proper debate as the Conservatives steamroller over the interests of the people of Wales and principles of democracy. The matter should have been debated in the Welsh Grand Committee before the Bill was debated on the Floor of the House, and I remind Members on both sides of the Chamber of the battles that took place to establish the Welsh Grand Committee in the first place as a venue for debates.

Jonathan Evans (Cardiff North) (Con): On the right hon. Gentleman's point about Assembly constituencies being the same as Westminster constituencies, it follows from that part of his proposition that he is arguing that there should never be any change at all.

Alun Michael: I am not arguing that at all. When the National Assembly for Wales was being proposed in opposition, I actually recommended a different structure, one that would have given two Members for each Westminster constituency, elected according to the alternative vote system. That would have given 60 Members on a coterminous basis, even with the considerable reductions that the Conservatives propose, but it is only one of the principles that need to be looked at. I have already mentioned the importance of representing combinations of constituencies.

Mr David Hanson (Delyn) (Lab): My right hon. Friend will recall that it has been some time since the Welsh Grand Committee met in Wales. Would it not have been more appropriate, because of the impact on the Assembly and the House, for those discussions to have taken place in Wales so that constituents, Assembly Members and those interested in the Assembly could have lobbied their MPs in the Welsh Grand Committee in the Principality itself?

Alun Michael: My right hon. Friend is absolutely right. We have seen a development of such institutions in recent times. For instance, the Welsh Affairs Select Committee, under the distinguished chairmanship of

[Alun Michael]

my hon. Friend the Member for Aberavon (Dr Francis), has developed a way of interchanging with the Assembly. It would be right for the Welsh Grand Committee also to develop its way of representing the people of Wales and engaging with the Welsh Assembly as an excellent new institution.

Jonathan Evans: I am grateful to the right hon. Gentleman for the opportunity to develop my earlier point. He says that he is not arguing that we retain the exact structure and keep the Assembly seats, as he had proposed in the past that there should be 60 Members, two for each constituency. Hence, it would seem that he argued for 30 constituencies.

Alun Michael: No; I am afraid that the hon. Gentleman is not very good at arithmetic, even though he depends upon it as a basic principle for his argument. The National Assembly for Wales has 60 Members. Under my proposed provision, it would have had 80 Members from the start, which, because of its greater legislative powers, would have made sense. My point is that the coterminosity of boundaries for Westminster and Assembly constituencies is one of the building blocks that should be part of the way constituencies are decided upon now and in future. For example, Sully was brought into the constituency of Cardiff South and Penarth, which I represent at Westminster, for the last Assembly elections, and the same boundary change was then made for the parliamentary elections. It is not rocket science; it is quite simple to deal with that. What is important is that we have those principles of coterminosity of boundaries with the Welsh Assembly constituencies, a respect for local authority boundaries—I say that as someone whose constituency crosses those boundaries—as the ward principle is an important one, and the representation of communities.

We all represent communities of interest. I can say confidently that my Labour colleagues all feel passionate about the communities that they represent. It is a basic parliamentary principle that we refer to each other by constituency, as we are here as representatives of our constituencies. It is that connection that the current legislation is likely to destroy, and that is why it is so important that the issue be debated properly by Welsh MPs and why it should have been debated properly in the Welsh Grand Committee.

Rehman Chishti (Gillingham and Rainham) (Con): Does the right hon. Gentleman agree with me that the Welsh Grand Committee's ability to scrutinise legislation that is made in Westminster and affects Wales will be further enhanced by the ability to call for expert evidence? An example would be evidence from the Centre for Welsh Legal Affairs, which is based in Aberystwyth. By way of declaration, I studied at Aberystwyth university and had a great time there.

Alun Michael: I know that the hon. Gentleman, having got his degree at Aberystwyth, has an affection for Wales. I welcome his intervention in this debate, because his suggestion about the Welsh Grand Committee expanding its role to take evidence is one that should be considered—many colleagues may agree with that. The point is that the Committee, in order to consider whether it expands its functions, has to meet in the first place, but, with the current Secretary of State for Wales, there is no such inclination. Perhaps when we do get to meet, we can take on board the hon. Gentleman's suggestion, which is a constructive one, and suggestions that others might make.

Paul Flynn (Newport West) (Lab): How can we be clearly represented by a Welsh Grand Committee that can be called only at the whim of a Secretary of State who does not enjoy a single Welsh vote, and a Welsh Affairs Committee that is grotesquely unrepresentative of the expressed views of the people of Wales in the last election, for which only a Conservative could be elected as Chair? Is it not right that we go back to the origins of the Welsh Grand Committee and many of the fine institutions in Wales that had their genesis in the Welsh parliamentary party, which includes every Member from Wales and will meet tomorrow? Such a system would genuinely reflect the democratic views of the people of Wales.

Alun Michael: My hon. Friend, who is the distinguished secretary of the Welsh parliamentary committee—that shows a capacity for survival, if nothing else—makes a powerful point, and I believe that tomorrow's debate will be an excellent one. It will involve Welsh MPs debating matters that affect Wales.

The issue of how the Welsh Grand Committee should be called would not be an issue had the Secretary of State for Wales shown respect for the wishes of Welsh MPs to have such a debate. I agree with my hon. Friend that her intransigence has called into question the current arrangements for calling the Committee. That did not need to happen—mutual respect would have been better. It was not there on this occasion, and I regret that.

Mr Mark Williams (Ceredigion) (LD): I congratulate the right hon. Gentleman on securing this debate. He will be aware of the excellent report that the Welsh Affairs Committee produced, to which I was proud to be a signatory. One of the reasons why we moved with such speed was that we wanted the outcome of our report to contribute to a broader discussion, but that discussion has been denied to us. Some of us have waited during proceedings on the Floor of the House for issues such as coterminosity and the break between list and parliamentary seats to be discussed. Plaid Cymru tabled a good amendment that has never been discussed. The crux of the issue is that we have not had an opportunity for a debate. The Select Committee certainly would have welcomed such an opportunity.

Alun Michael: I hope very much that the hon. Gentleman will have an opportunity to contribute to the debate today. He is absolutely right, and I congratulate him on putting representation of his constituents above his location on the Government Benches in those comments.

I had planned to refer to the Select Committee report, so perhaps I could just do so briefly now. It points out that the Parliamentary Voting System and Constituencies Bill that is being debated on the Floor of the House will have a greater impact on Wales than on any other nation of the UK, with a projection that Wales will lose 10 of its 40 seats—a reduction of 25%. A Committee that, as my hon. Friend the Member for Newport West

(Paul Flynn) indicated, is totally unrepresentative of Wales has, nevertheless, come out with a powerful criticism of how the Government are dealing with these issues, I congratulate members of that Committee on having the independence of mind to do so.

Chris Ruane (Vale of Clwyd) (Lab): Last night, 12 Labour Members did not have a chance to speak in the debate on the Bill, an important piece of rushed legislation. Does my right hon. Friend agree that having a Welsh Grand Committee would have enabled all Members to speak on this important issue? It is an important issue for Wales because the Vale of Glamorgan has a registration rate of only 76%, a ward in the constituency of the hon. Member for Ceredigion (Mr Williams) has the worst registration rate—56%—in Wales, and my constituency, the Vale of Clwyd, went from 49,000 registered voters to 56,000. We have lessons to learn in Wales for all of Wales and the UK.

Alun Michael: My hon. Friend makes a powerful point. *[Interruption.]* Government Members would do well to listen to the points that are being made, rather than heckling from a sedentary position.

Let me deal with the point that my hon. Friend made. He referred to the failures of registration over a number of years, and I share his concerns that the Electoral Commission has failed to regulate how such things are done. As he rightly said, the Bill is based on under-registration, and it will have an effect on the representation of people in Wales.

Albert Owen (Ynys Môn) (Lab): I congratulate my right hon. Friend on securing this debate. On the point made by the hon. Member for Ceredigion (Mr Williams) about the excellent cross-party report by the Welsh Affairs Committee, is my right hon. Friend as disappointed as I am by two things? First, the report was totally ignored by the Secretary of State for Wales, and, secondly, many of the hon. Members who were on that Committee voted to curtail debate last night through the programme motion.

Alun Michael: That is indeed disappointing. I believe that many people on the Government Benches are beginning to feel slightly embarrassed by how this Government are behaving. They are behaving not as a responsible majority but as an oppressive one.

Alun Cairns (Vale of Glamorgan) (Con): If the right hon. Gentleman wants to talk about embarrassment, let me tell him that I am embarrassed by the opportunistic approach of Opposition Members. I come back to the point about voter registration: if voter registration was such a priority, why did 13 years go by in which nothing happened in that respect?

Alun Michael: It was not that nothing happened. The Electoral Commission was meant to deal with some of these issues. I was a member of the Committee on Standards in Public Life which looked at how such matters were dealt with, and which said that the commission needed to improve its act in terms of voter registration. Labour Members proudly debated the issue and pressed the Labour Government to recognise its importance, so I see no reason why we should not press the present Government on it.

Chris Bryant (Rhondda) (Lab): Is not this part of a much wider habit that the Government are developing in respect of Wales? Some of us have been asking for a meeting with the Secretary of State to discuss the important issue of jobs at the Defence Technical College in south Wales, in the constituency of the hon. Member for Vale of Glamorgan (Alun Cairns). The Secretary of State said in June that she would be happy to meet a cross-party group of MPs but still has not met any group of people. Is it not a bit embarrassing to find that the hon. Gentleman has not bothered to speak up for jobs even in his own constituency?

Alun Michael: I agree entirely. The hon. Member for Vale of Glamorgan (Alun Cairns) should be fighting for the jobs that were promised

Alun Cairns Will the right hon. Gentleman give way?

Alun Michael: In a moment. The hon. Gentleman must contain himself and let me finish at least one sentence before he seeks to intervene again. He should be fighting for the jobs in his constituency which were promised as part of the defence academy, and which would enhance the performance of our armed services and save money as well as helping the economy of south Wales. Perhaps he would like to discuss that point rather than just raising spurious points and trying to embarrass the Opposition.

Alun Cairns: I object absolutely to the comments made by the hon. Member for Rhondda (Chris Bryant). He knows well that I have been in discussions with the Prime Minister, the Secretary of State for Defence and other Ministers—*[Interruption.]*

Martin Caton (in the Chair): Order. The background noise has grown as this debate has gone on. Could Members be quiet enough that I can hear whoever is speaking?

Alun Cairns: Thank you, Mr Caton. Discussions that I have had with the Prime Minister, the Secretary of State for Defence and other Ministers have been reported widely in the press, but the hon. Member for Rhondda conveniently chooses to ignore that fact. I am delighted that St Athan remains the preferred option for the defence training solution, and I am shocked and saddened by the approach taken by Opposition Members in favour of a private company and cost to the taxpayer—

Martin Caton (in the Chair): Order. I remind the hon. Gentleman that that was supposed to be an intervention.

Alun Michael: Methinks the hon. Gentleman doth protest too much. We will see the outcome, and if that outcome is jobs in south Wales we will welcome—

The Parliamentary Under-Secretary of State for Wales (Mr David Jones) *rose*—

Alun Michael: I shall give way in a moment. The Conservatives this morning are over-excited. I think that they are embarrassed—*[Interruption.]* They want to talk now, but they must listen. If the hon. Member for Vale of Glamorgan has any success in his discussions

[Alun Michael]

we will welcome anything that improves the situation in south Wales. However, I suspect that the Prime Minister might not be listening to the hon. Gentleman.

Mr David Jones: A moment ago, the right hon. Gentleman appeared to accept the point made by the hon. Member for Ynys Môn (Albert Owen) that my right hon. Friend the Secretary of State for Wales had ignored the report of the Welsh Affairs Committee. Having served with the right hon. Gentleman on that Committee, I know that he is a fair man. Will he accept that there is adequate time for a response to that report by my right hon. Friend, and will he also accept from me that such a response will be made?

Alun Michael: I shall try to respond to that question fairly: my answer is no. The Select Committee has come out with a report that underlines the blindingly obvious, which is that this is all being rushed. I suggest that the hon. Gentleman look at the decisions. The summary states:

"The decision to hold a referendum on a change to the UK voting system on the same day as elections to the National Assembly of Wales might result in a number of problems for electoral administrators."

It then goes to the heart of the matter:

"More generally, we are disappointed at the pace at which the whole package of constitutional reforms is being legislated and implemented. The provisions of the Bill will have profound consequences for the UK Parliament and for Wales in particular. We are equally disappointed that the Government has decided to timetable the Bill through the House of Commons without adequate opportunity for fuller scrutiny. We regret very much that the Secretary of State for Wales did not make allowance for a meeting of the Welsh Grand Committee so that Welsh interests in the Bill could be considered in depth."

That consideration should have taken place before the debates on the Floor of the House, and I underline "before".

Mr Jones: That was not the question, though. I asked the right hon. Gentleman to confirm that he accepts that a response will be made by the Wales Office to the Select Committee's report.

Alun Michael: An untimely, delayed response might be made, but that does not meet the point of timeliness and it is part of the general picture of unseemly rush by a Government who are clearly embarrassed by their own proposals.

Jessica Morden (Newport East) (Lab): Is my right hon. Friend aware that, according to the Committee Clerks, the Secretary of State could take up to two months to respond?

Alun Michael: Indeed. The point is that we should have proper debate in the Welsh Grand Committee on subjects of importance to Wales, when the debate is relevant and timely. It should be now; it should have happened already.

Mr Dai Havard (Merthyr Tydfil and Rhymney) (Lab): Can my right hon. Friend help me to understand why the Secretary of State is not here this morning to respond on these issues? We are speaking a lot about her, but she is not here to say for herself why the Government are doing, or rather not doing, what they propose.

Alun Michael: I do not think that I can. The Government are clearly embarrassed by all of this, which is why the Leader of the House has refused to be here, even though it should have been him responding to the debate today. I suspect that the Secretary of State, having taken over the subject, if you like, preferred to send her junior Minister as the fall guy. I have a great deal of sympathy for the hon. Gentleman because of the onerous burden that has been placed on his shoulders but, as I understand it, it is only the Secretary of State who decides whether there will be a Welsh Grand Committee in response, in respect for the Members in Wales. I see that my right hon. Friend the Member for Torfaen (Paul Murphy)who, like me, has held that office, is of the same view. The Secretary of State should really have been here to answer for her own decisions.

Mr David Jones: I thank the right hon. Gentleman for his concern, but I assure him that the burden rests lightly. As a matter of information, the Secretary of State is at a Cabinet meeting, which is why she is not here.

Alun Michael: Would the hon. Gentleman like to tell us whether at that Cabinet meeting the Secretary of State is fighting for the interests of the people of Wales? I think that we know the answer.

Chris Ruane: If the Secretary of State is indeed in the Cabinet meeting, will she be raising the cancellation of the Severn barrage? Will she be raising the cancellation of the Defence Aviation Repair Agency project, the cancellation of the north Wales prison, the loss of jobs in Newport or the cancellation of the electrification of the south Wales railway line?

Alun Michael: I suspect that she will be sitting silently in the corner.

I want to make reference to a former Member of this House who argued powerfully for the establishment of a Welsh Grand Committee. There were debates over many years, going back into the 19th century, about the establishment of such a committee, and in his early days in Parliament Cledwyn Hughes, a former Secretary of State for Wales, argued powerfully in favour. Indeed, when a Welsh Grand Committee was initially established, he argued that it ought to be more powerful and not just a tepid opportunity for debate. Regarding the lack of adequate facilities for the proper discussion of Welsh affairs in the House, he said:

"Since I became a Member of this House some eight years ago, this has been one of my most frustrating experiences—and that is saying something." [*Official Report*, 13 July 1959; Vol. 609, c. 120.]

He went on to point out how the reports that the Government published would not be debated. Cledwyn Hughes represented Ynys Môn—the county where I was born—and it is ironic that the effect of the Bill will be to force Anglesey into some sort of combination with part of the mainland. That is disrespect to Môn mam Cymru.

Albert Owen: I am grateful to my right hon. Friend for mentioning my predecessor Cledwyn Hughes, who fought in this House for not only Welsh rights, but for the fourth Welsh channel. Last week, not only were we denied a debate on the comprehensive spending review—Cledwyn would have been turning in his grave—but we had the Government just announcing that the channel was going to the BBC. Cledwyn Hughes worked with Conservative Members of Parliament over those years, and he worked in consensus. That consensus has been broken.

Alun Michael: My hon. Friend makes a very powerful point. Cledwyn Hughes was loyal to his party and passionately loyal to Ynys Môn, but he was a man to seek to build consensus where consensus was possible. Had the Secretary of State agreed to the requests from Labour Members for a meeting of the Welsh Grand Committee to debate these issues, she would have been treated with respect. But she has not treated us with respect.

Mark Tami (Alyn and Deeside) (Lab): On that point, my right hon. Friend will recall that in the only Welsh Grand Committee that we have had in this Session further contempt was shown when the Government had the Chief Secretary to the Treasury there without actually going through the usual channels to advise us. That shows the total contempt that this Government have.

Alun Michael: I agree with my hon. Friend's point.

Roger Williams (Brecon and Radnorshire) (LD): I congratulate the right hon. Gentleman on leading the debate into a calmer, cooler and, may I say, more constructive stream. But does he not agree that Cledwyn Hughes would not be content with just seeing the Welsh Grand Committee as it is but would wish it to evolve to meet the needs of Welsh Back Benchers? Surely the purpose of this debate is not to look at specific legislation but to consider the role of the Welsh Grand Committee and how it can be improved.

Alun Michael: I agree with the hon. Gentleman. He makes a constructive point. I think that the passion and anger that he sees on the faces of many people in this Chamber is due to the constructive debate that he and I would wish being denied us. It has been denied us in the Welsh Grand Committee, and it has also pretty much been denied us on the Floor of the House in the rush to legislate. In the past few years, we have seen very welcome strides forward in how Wales is represented through democratic institutions. The National Assembly for Wales is a success; it will continue to develop and grow, and I am certain that it will be even more effective and successful in the future. But it is at its best when representatives in Parliament and representatives in the Assembly are working together.

I have seen the benefit of that in my constituency, and in the teamwork between Welsh Labour AMs and Welsh Labour MPs that has developed very positively over the past few years. Through the way in which we have made sense of the delegation of powers to the National Assembly for Wales—through the system of legislative competence orders and debates in the Select Committee on Welsh Affairs, as well as in the House, over the past 13 years—Parliament has remained relevant to democracy in Wales and should remain so.

In response to the hon. Member for Brecon and Radnorshire (Roger Williams), the Welsh Grand Committee should develop and take on new ways of doing things, and, perhaps, take on the suggestion about taking evidence on appropriate occasions. After all, Standing Committees now do that at the start of their proceedings. We should be developing our democratic institutions, not sidelining them.

Mr Havard: The power in the relationship that my right hon. Friend describes between Cardiff and London and the institutions has, in part, come from the fact that it has been developing pre-legislative scrutiny—not post-hoc scrutiny. We have a Government with a questionable mandate for doing something that was not in a manifesto—a good example of why pre-legislative scrutiny is even more, not less, important.

Alun Michael: My hon. Friend makes a powerful point with which I entirely agree. During the previous Session, Parliament looked at ways in which it could enhance its work, improve its democratic credentials and reconnect with the people. The Welsh Grand Committee is one way in which we could do so properly, if we develop it.

Kevin Brennan (Cardiff West) (Lab): Should not the Secretary of State learn the lesson, which she has ignored either in pig-headedness or naivety, that the Government can, ultimately, have their way because, as Disraeli said, a majority is its own repartee, but the Opposition should be able to have their say? By denying the Welsh Grand Committee the opportunity to meet, she has undermined that fundamental principle of our constitution.

Alun Michael: My hon. Friend is right about the fundamental point: a Government—the majority—have to show respect for the minority, even when they know that they have the numbers to win a vote on their legislation. At the end of the day, the Government will get their Bill, but they will have done so in bad temper, with ill grace and without proper respect for the minority.

Alun Cairns: Will the right hon. Gentleman give way?

Alun Michael: I have given way to the hon. Gentleman several times. I wish to conclude my remarks because others wish to speak.

Huw Irranca-Davies (Ogmore) (Lab): I thank my right hon. Friend for giving way. The signal difference between the approach that he and his predecessors in the Wales Office took and the current one is that when controversial decisions had to be made he took them to be debated and to face challenge, and heaven knows he had enough controversial decisions on his plate. That is a signal of good government. The Secretary of State for Wales does not speak for Wales; the only people who speak for Wales now are those on the Opposition Benches.

Alun Michael: It is our responsibility as Members of Parliament to enhance democracy, and those in power can help to do that only by listening and debating. That is the essential point. I am concerned about that, not only on this topic, although it is the burning topic

[Alun Michael]

before us, but on the grounds that for the next five years we need topics that affect Wales to be debated properly in regular meetings of the Welsh Grand Committee—

Alun Cairns: Will the right hon. Gentleman give way?

Alun Michael: No, I will not give way.

We need the Committee's performance and activity enhanced rather then diminished. That can be achieved only if the Secretary of State shows proper respect for the people of Wales and their interests, uses the mechanism of the Welsh Grand Committee to listen to the views of those who represent the people of Wales—Welsh MPs—and shows proper sensitivity to the fact that she does not represent any of the people of Wales.

10.4 am

Roger Williams (Brecon and Radnorshire) (LD): I congratulate the right hon. Member for Cardiff South and Penarth (Alun Michael) on securing the debate. From its title, which related to the scrutiny of Government policy as it applies to Wales, I hoped that we would be looking at the role of the Welsh Grand Committee, and indeed at other ways that Back Benchers can express their views on Wales. We came to that topic a little later in the right hon. Gentleman's contribution than may have been best for the debate.

I signed the early-day motion calling for a Welsh Grand Committee on the Parliamentary Voting System and Constituencies Bill. It would have been a good idea, because it would have allowed Members to express their views and engage a little more with the people of Wales. I have not been inundated with representations from constituents on this matter; I may be atypical, but that reflects my experience. In previous Parliaments we had regular Welsh Grand Committees—

Alun Cairns: I am grateful to the hon. Gentleman for giving way and for the approach that he is taking, but is he surprised that over the past six years the Welsh Grand Committee met only once in three of those years?

Hon. Members: What?

Roger Williams: That was a complicated set of statistics. The hon. Gentleman will have to allow me to accept that but not to comment on it. As far as I remember, we had regular Welsh Grand Committees in previous Parliaments, but I was never consulted on the subjects of them. I was dealt with courteously by Government Whips, who would tell me, "The Welsh Grand Committee will be on 23 May and the subject is this. Will that be all right?" On most occasions it was all right, but we were never engaged, or encouraged to put forward subjects for the Committee. I would like the support system for the Welsh Grand Committee to become more like the Backbench Business Committee. We could then have meetings of Back Benchers of all parties to put forward suggestions for subjects for the Welsh Grand Committee.

Albert Owen: The hon. Gentleman is making an important point about the development of the Welsh Grand. Does he accept that there was some development in the previous Parliament? We had a question session at the beginning when we could speak on a wide range of topics; Back Benchers could submit questions and ask follow-up questions.

Roger Williams: I absolutely accept what the hon. Gentleman says. I am all for developing the system if it makes it more productive and gives Back Benchers a greater role, but the fact that we have had some development does not preclude or prevent other developments in future.

Chris Ruane: I thank my hon. Friend for giving way; I will call him a friend—an ex-Friend. I concur entirely: the Welsh Grand Committee needs to be developed, but in the meantime all we need to do is meet. Does he agree that we need to meet and talk—jaw-jaw?

Roger Williams: I have said on the record that I was a signatory to the early-day motion, so we will leave that subject for a moment.

When the Minister sums up, will he address my suggestion that we look at how the Welsh Grand Committee system operates and encourage Back Benchers to have a greater say, not only on the frequency of Welsh Grand Committee meetings, but on the subjects? I include in that an assessment of how the question and answer sessions work, whether we need Ministers appearing at the Committee to answer questions on specific areas of Government policy and whether we call expert witnesses to help with our deliberations. Cledwyn put a very successful system in place, but it is time for it to evolve and develop to ensure that Welsh Back Benchers have real input in Government policy as it affects Wales.

Several hon. Members *rose*—

Martin Caton (in the Chair): Order. I should like to start the wind-ups at 10.40 at the latest. At least five Members are indicating that they wish to speak, so the more succinct each of you is, the more people can make a contribution.

10.9 am

Paul Murphy (Torfaen) (Lab): This debate was called because we have come to a point of crisis for the Welsh Grand Committee. I have always found the Secretary of State to be a reasonable and courteous person, but I have no idea what has entered her head, because on this matter she has betrayed a stubbornness that I find most uncharacteristic and unwelcome. The debate is about how the Welsh Grand Committee runs itself and is organised. My experience over five years as Secretary of State for Wales on two separate occasions was that the decision to hold a Welsh Grand Committee was wholly in the hands of the Secretary of State. Therefore, the decision not to hold such a Committee lies entirely in the hands of the current Secretary of State.

There was never any question but that if there was consensus among Welsh Members of Parliament, a Welsh Grand Committee would be held. The hon. Member for Brecon and Radnorshire (Roger Williams) will remember that when I was Secretary of State, we consulted him on the subject, date and number of Welsh Grand Committees. Never once in my experience did I refuse a request or an understanding of consensus to have a

Welsh Grand Committee. To my knowledge, this is the first time in its history that a Secretary of State has stubbornly refused to hold a Welsh Grand Committee to discuss important matters.

Kevin Brennan: My right hon. Friend is right. I checked with one of his predecessors, the right hon. Member for Wokingham (Mr Redwood), who was happy to confirm that he would never have turned down a request for a meeting of the Welsh Grand Committee. There is now nostalgia in Wales for the right hon. Member for Wokingham. *[Laughter.]*

Paul Murphy: Not on my part. However, my hon. Friend makes a powerful point. Whatever the political persuasion of the Secretary of State, there was no refusal to hold a Grand Committee on an important issue. When I held office, 21 meetings of the Welsh Grand Committee were called to deal with a large number of issues, including major constitutional matters. I cannot understand for one second what entered the head of the Secretary of State when she decided not to hold a meeting of the Committee.

Mr David Jones *rose—*

Paul Murphy: We may have an answer.

Mr Jones: Will the right hon. Gentleman confirm that no Welsh Grand Committee was held to discuss either the Government of Wales Act 1998, or the Government of Wales Act 2006, prior to the legislation being passed?

Paul Murphy: But there were discussions on the legislative programme—on the Queen's Speech and its impact on the people of Wales. That would be part of the process. This decision is a grave constitutional error, which, in my view, could mean the end of the Welsh Grand Committee. If the Secretary of State continues to refuse to hold meetings requested by the majority of Welsh Members of Parliament, the institution will become moribund.

My other point concerns the reasons why the Secretary of State should hold a Welsh Grand Committee to consider the impact of the Parliamentary Voting System and Constituencies Bill on the people of Wales. First, there has been no adequate scrutiny on the Floor of the House. The Select Committee recommended that a Welsh Grand Committee be held, but when I wrote to the Secretary of State to ask her to hold such a Committee, she replied that there would be ample opportunity for discussion, particularly on clause 11. That has not happened. The Welsh Grand Committee would have provided an opportunity for all Welsh Members of Parliament to debate important issues such as the referendum, the devolution settlement, the representation of Members of Parliament in this place and the relationship with the Welsh Assembly Government and the Welsh Assembly. Those are huge and important issues that will have an impact on the people of Wales, but the Secretary of State is stubbornly refusing to call a meeting of the Committee to discuss them.

Chris Ruane: I concur entirely with my right hon. Friend. What is happening in Wales and the UK is a tectonic, momentous movement on a range of issues that particularly affect Wales, which probably has some of the highest levels of deprivation in the UK. Wales has the highest number of public sector workers in the UK, and the constitutional changes that are about to be foisted on Wales are the biggest in the UK. There will be the biggest decrease—25%—in the number of MPs. Those are momentous, tectonic movements, yet we cannot even talk about them.

Paul Murphy: That is the point. As parliamentarians representing Wales, we are being denied a proper opportunity to discuss the impact on Wales of the most important constitutional Bill for a generation.

Chris Bryant: Is not the biggest problem the fact that if the people of Wales see the Westminster Government treat Welsh MPs with disrespect, and if the Government believe that in the future there should be lower representation from Wales, the argument for nationalism in Wales will increase? The way that the Government are progressing gives a fillip to nationalism rather than to the Union cause.

Paul Murphy: Yes, of course. Reducing the number of Members of Parliament goes against the settlement that the people of Wales voted on in 1997. Many of us argued that devolution strengthens the Union. However, in this case Wales is being treated separately in terms of its constitutional position as a smaller country in the UK. In my view, that goes against the Unionist principle in which the Conservative party is supposed to believe. The refusal to hold a Grand Committee means that our opportunities as Members of Parliament are gravely limited when discussing a Bill that affects us all. There has been no pre-legislative scrutiny. There has been inadequate discussion on the Floor of the House, and the legislation has been rushed through. Frankly, the Bill is not about proper scrutiny but about ensuring that the Labour party does not have sufficient seats in the House of Commons.

Ian Lucas (Wrexham) (Lab): Does my right hon. Friend agree that one of the most depressing aspects of the consideration of the Bill in the House has been the complete failure of the hon. Members for Somerton and Frome (Mr Heath) and for Forest of Dean (Mr Harper) to have any comprehension of the constitutional settlement in Wales? There has been complete silence from Welsh Front-Bench MPs in the Government. They have said nothing about the unique position of Wales in the United Kingdom and the way that the legislation threatens that link.

Paul Murphy: I was particularly unimpressed by the hon. Member for Somerton and Frome (Mr Heath) when he spoke about Wales yesterday in the House. The oddity is that had those debates taken place a year ago, the Liberal Democrats would have been the first to complain about the lack of scrutiny in the Bill and the business of having no boundary inquiries. The Liberal Democrats have long since ceased to be a party of civil liberties that deals with the rights and duties of the citizens of our country.

Ian Lucas: Yesterday evening, the right hon. Member for Ross, Skye and Lochaber (Mr Kennedy) described the Bill, and the abolition of public inquiries in particular,

[Ian Lucas]

as a negation of democracy. That former leader of the Liberal Democrats has some principles. I am sorry that other Liberal Democrats do not.

Paul Murphy: Some of us think that the right hon. Member for Ross, Skye and Lochaber should still be the leader of the Liberal Democrats, but that is another issue.

In conclusion—this is an important debate, and others want to speak—this is a sad occasion. I hope that the Secretary of State will reflect on the wishes of the majority of Members who represent Welsh constituencies, think again, and give us an opportunity to discuss these important issues.

10.18 am

Jonathan Evans (Cardiff North) (Con): I wanted to contribute to the debate primarily because when I was listening to the parliamentary stages of the Bill, I heard the hon. Member for Rhondda (Chris Bryant), whom I am pleased to see in the Chamber, offer the observation that all Members of Parliament from Wales shared concerns about the legislation. I would like to put on the record that I am an enthusiastic supporter of the legislation.

Chris Bryant: He wants a job.

Jonathan Evans: We heard enough from the hon. Gentleman during the parliamentary stages of the legislation.

In Wales, we have a distorted voting system and a situation in which the Labour party, with 36% of the vote, has 65% of the seats. Anything that is done to change that voting system threatens the position of the Labour party.

Kevin Brennan: I hope that the hon. Gentleman is sincere in his belief that we can reduce the number of parliamentary seats in Wales and that he will still be able to keep his seat by carving up the Liberal Democrats. Nevertheless, does he agree that it would have been good to have the opportunity to discuss the points that he raises at a meeting of the Welsh Grand Committee?

Jonathan Evans: I intend to make only a brief speech and I will come to that matter, but I first wanted to put on the record my views about the legislation. The hon. Gentleman invites me to say what the impact would be on my constituency. The Electoral Reform Society has produced a report in which it speculates on what the outcome might be, and it suggests that my seat would revert to the Labour party. However, that makes no difference to my enthusiasm for the legislation. Why? Because I am a democrat. I see a situation in which my opponent, who was a very well regarded Member of the House, and over whom I had the smallest majority, had the second largest Labour vote in Wales, yet is not a Member of the House. Why? Because 25 of the 26 Labour seats in Wales have significantly smaller electorates than our electorate. We need to deal with that.

Huw Irranca-Davies: Will the hon. Gentleman give way?

Albert Owen: Will the hon. Gentleman give way?

Jonathan Evans: I am happy to give way to the hon. Member for Ogmore (Huw Irranca-Davies).

Huw Irranca-Davies: On the Welsh Grand Committee's inability to have the opportunity to express the views of Welsh Members, one of the points I would have made in the Committee is that the concoction in the Bill means that any subsequent Government of a different political colour could take all the mechanisms in the Bill and—by the simple arithmetical change of saying that instead of 76,000 electors, we shall go to 80,000 or 100,000—gerrymander directly to their benefit under exactly the same arguments of democracy: one person, one vote, and equal votes. Does the hon. Gentleman not understand that the failure to give us the opportunity in the Welsh Grand to articulate not just the parochial dangers to our own seats but the dangers to democracy in the Bill is a signal failure of the Government?

Jonathan Evans: The basis on which I look at our system in Wales is that we have a gerrymandered system. The reality is that the Boundary Commission is invited to look at the historical basis of our constituencies. That is why all those constituencies are so small and why I am an enthusiastic supporter of the change.

Albert Owen: Will the hon. Gentleman give way?

Jonathan Evans: No, because I want to move to my second point, which is the contribution from my hon. Friend the Member for Brecon and Radnorshire (Roger Williams), who brought us back to what the debate is about. What should the Welsh Grand Committee be discussing? Here we are, having got on to discussing the legislation—*[Interruption.]* I shall come to that in a minute. The right hon. Member for Cardiff South and Penarth (Alun Michael) has been complaining about Government Members getting excited; Members should allow me to develop my point before we run out of time.

I certainly believe that there should be an opportunity for discussion, and there was an opportunity initially for discussion on the Floor of the House. I look across at the hon. Member for Rhondda, who was certainly not sparing in his contributions in the course of that debate. He has indicated to me, "Oh well, the Minister spoke for a long time as well," but the reality is that those subjects were talked out. *[Interruption.]* Sorry, that is the reality. Therefore—*[Interruption.]* No, I will not give way because time is running out. *[Interruption.]* I have already given way three times; I am developing my argument.

I believe that there should be an opportunity for these points to be put. I am not making any criticism of my right hon. Friend the Secretary of State over the fact that she decided initially that there was an opportunity for us to discuss the matter on the Floor of the House. As things stand, however, that opportunity, for whatever reason, has been denied to us. I therefore hope that my hon. Friend the Minister will convey to the Secretary of State the fact that we are now in a changed circumstance. When she took her decision, it was on the basis that she thought that there would be an opportunity for discussion. That opportunity has been denied. *[Interruption.]* I think

the word spoken from a sedentary position may have been unparliamentary—but there we are; we shall pass on that one.

I hope my hon. Friend the Minister will bear in mind the points I have made. I now want to draw my remarks to a conclusion.

Chris Ruane: Does the hon. Gentleman agree that the Welsh Grand Committee could have discussed not only the constitutional issues affecting Wales, but the economic issues? In his seat, 48% of workers work in the public sector. In my seat, the number is 46%. In Clwyd West, it is 45%. The Welsh Grand Committee could have discussed the impact of the sacking of 25% of those workers by the Government the hon. Gentleman supports.

Jonathan Evans: There is a need for us to develop mechanisms, as my hon. Friend the Member for Brecon and Radnorshire—*[Interruption.]* Let me please respond to the first point. My hon. Friend has outlined that there must be mechanisms. The Government are now looking to improve our political governance, and my hon. Friend proposed an agenda that could be helpful in that regard. I say to Opposition Members that people in Wales were not impressed by the first meeting of the Welsh Grand Committee. That is the reality. If there is to be a respect agenda, it is important that although the Labour party may have 65% of the seats in Wales, it should reflect on the fact that more than a quarter of people in Wales voted for the Conservative party and more than a fifth of the people in Wales voted for the Liberal Democrat party. The claim that Members on the Opposition Benches speak for the people of Wales is flawed.

10.24 am

Ann Clwyd (Cynon Valley) (Lab): I am glad to speak under your chairmanship, Mr Caton. I congratulate my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael) on securing this Adjournment debate. It was secured because, as many hon. Members have said, there was no possibility of a Welsh Grand Committee. I find that amazing, given the importance of the Government's plans for the people we represent. It will be looked on as a great slight to the people of Wales that the Secretary of State for Wales, despite all the pleas made to her, has refused to have a sitting of the Welsh Grand Committee.

There is some kind of alternative. As some of my hon. Friends have mentioned, we are to have a meeting tomorrow of the Welsh parliamentary party. A meeting of the Welsh parliamentary party can be called when no other forum exists to discuss issues of importance to Wales. I have invited all Welsh MPs—hon. Members of all parties who hold Welsh constituencies. I understand that all the Conservatives—there are not many of them—have turned down the invitation, which I find extremely disappointing.

Jonathan Evans: I fully intend to attend the meeting.

Ann Clwyd: I am very pleased to hear that. Does anyone else want to express their intention to attend? They will be very welcome, because we shall have a proper debate on issues of Government policy as they particularly affect our constituents.

The debate on the Floor of the House last night was very truncated because of the guillotine that fell at various points, but it was obvious from the passions that were shown and expressed during that very short debate that people who represent Welsh constituents feel that they are being sold short because they have not been able to have the full discussion that we all wanted on important constitutional reforms that affect our constituencies.

Nia Griffith (Llanelli) (Lab): Does my right hon. Friend agree that in the main Chamber, with MPs from all over the United Kingdom, the focus has to be on the principles in the Bill? There is no opportunity to cover in detail the issues that we want to discuss, which we in Wales can understand and would like to have a deeper discussion on, but with which we do not like to burden all our colleagues.

Ann Clwyd: I thank my hon. Friend. She reinforces the point that I am making: people feel frustrated and sold short because they cannot express their views. Tomorrow is an opportunity for MPs of all parties to come together and express their views in the Welsh parliamentary party.

Nick Smith (Blaenau Gwent) (Lab): Looking around the room, we can see that 29 Welsh MPs are present. It looks as though the Lib Dems are in favour of a sitting of the Welsh Grand Committee, and although it was only implied, it looked as though the hon. Member for Cardiff North (Jonathan Evans) was in favour of a sitting of the Welsh Grand Committee. Does my right hon. Friend agree that the Secretary of State should listen to the people and representatives of Wales?

Ann Clwyd: Yes, I agree. It is deplorable that the Secretary of State is not here this morning. As I remember it, Cabinet meetings usually last for about an hour, so she still has time to come to this debate. She may be listening, but I am sure that we would find time to hear her even if it was only for a very short time. If she is not able to come today, perhaps she could come tomorrow. She would receive a very warm welcome—except, of course, that she is not a Member with a Welsh constituency, so the rules of the Welsh parliamentary party, unfortunately, on this occasion will exclude her. However, I am sure that if she wants her views to be made known, she will make them known through other hon. Members, such as the hon. Member for Cardiff North (Jonathan Evans), who has shown his enthusiasm, even if he is alone, about being present at the meeting of the Welsh parliamentary party tomorrow.

It will be obvious to the people of Wales who represents their interests in this place. It will be clear at the next Welsh Assembly elections that the people of Wales will be voting for the party that most reflects their interests in this place. The Welsh Assembly feels particularly short-changed by how it has been treated by the Government, so that too will be reflected in the results of the next Welsh Assembly elections.

Mr Havard: May I thank my right hon. Friend on her initiative on the Welsh parliamentary party meeting tomorrow? Does she agree that one of the difficulties with such a body is that it does not benefit from the services of the House? For example, I understand that

[Mr Dai Havard]

there will not be a *Hansard* record or any of the attendant publicity that comes from a proper discussion in this place.

It is rather disappointing that the press of the country do not seem interested in this discussion. My right hon. Friend talks about what is happening—the power grab in Westminster—being clear to the people of Wales. However, it will not be clear to them, because the press are not taking an interest in educating the civic society of Wales about what is happening—a constitutional change on which it was never given the opportunity to express an opinion.

Ann Clwyd: I thank my hon. Friend, who is one of my neighbours. At one time we shared a constituency, when it was Merthyr Tydfil and Aberdare in the time of Keir Hardie. However, Keir Hardie, who fought for so many rights for the people of Wales over the years, would be very aggrieved today if he saw what was happening in the House of Commons.

I draw attention to one or two things in the press today. The Archbishop of Wales has thought it necessary to make various points, criticising how benefit claimants are being portrayed by the UK Government. We all feel the same way. He said that the mark of a civilised society was the way that it cared for its worst-off members and that the UK Government

"talks about benefit frauds, as if the country is full of people who are out to milk the system."

Some people are out to milk the system, but it is not the benefit frauds—it is the bankers and the people the Conservative party represents in this place.

The Conservatives have failed to penalise the people who put us in this financial situation. It was not the people we represent, the people of Wales who will now be affected by the cuts that the Government will put in place and the thousands of people who will lose their jobs in the public sector and, we are now told, in the private sector as well. Because of the VAT increase to 20% in January, tens of thousands of people will lose their jobs in the private sector.

Dr Morgan went on to say:

"One of the great characteristics of the mining communities was that they did care for the less fortunate—they made sure that widows and orphans had enough to eat and coal to heat their homes. They knew what it meant to be members of one society. The Big Society concept would not have been strange to them—they implemented it long before this Government thought of it."

Chris Bryant: Archbishop Barry said all those things at St Andrew's church in Tonypandy on Sunday evening. He was commemorating the 100th anniversary of the Tonypandy riots, which falls at the end of this week.

My right hon. Friend is absolutely right to point to the many other issues on which we should also be having Welsh Grand Committees, in particular the effect of the comprehensive spending review. Is she worried that we might have no debate in the next few months on how that affects Wales? We might have no St David's day debate next year and, because it is a two-year Session, no debate on the effects on Wales of another Queen's Speech or legislative reform. All that is making the voice of Wales more marginalised in the House.

Ann Clwyd: I entirely agree. The fact that we are not able to debate issues of great importance to the people we represent is outrageous. That outrage was clearly expressed on the Floor of the House of Commons last night. There were many passionate speeches, in particular because people feel that a constitutional change of the kind proposed by the Government is of such momentous importance to Wales, where 25% of Members of Parliament will disappear. That is of great importance.

I do not want to anticipate what the Welsh parliamentary party will decide tomorrow, but I suspect that if the Welsh Grand Committee is not able to meet because the Secretary of State says no, the Welsh parliamentary party might decide to assume some of the Grand Committee's functions. It might decide, as my hon. Friend the Member for Aberavon (Dr Francis) suggested to me earlier, to go on a tour of Wales, to bring to the people of Wales the very issues that we cannot discuss in this place.

There will be momentous changes in how the vast majority of the elected MPs for Wales in this place decide to take matters into their own hands. We cannot rely on the Government. We have never been able to rely on a Tory Government. The people of Wales will see once again the kind of 18-year Tory Government that they have had before. We warned them at the last election of what might happen, but we did not, unfortunately, at that point think about the Lib Dems joining the Tories, because nothing in the Lib Dem election manifesto suggested that they would ever dream of joining the Tory party. They may want to think again; they would be very welcome to join us, in particular on issues that they feel strongly about and about which their former leader again spoke so passionately last night.

The people of Wales will see this Parliament and this Government for what they are—an insult to the people of Wales. We have a Government the people of Wales have never wanted. They have never wanted that Government in the past, they do not want them in the present and they definitely do not want them in the future.

Several hon. Members *rose*—

Martin Caton (in the Chair): Order. I am afraid there are only three minutes left before I start the wind-ups.

10.37 am

Hywel Williams (Arfon) (PC): Thank you, Mr Caton, for the truncated opportunity to speak. I had a much longer speech with which I would have been happy to regale the Chamber, but perhaps I will have the opportunity tomorrow.

Evelyn Waugh asked what the point of a Conservative Government was if they did not turn the clock back. The Conservative and Liberal Democrat Government have so far shown a distinctly non-Waugh-like tendency to change everything, and as soon as possible. Since the election we have had a slew of legislation, some of it eye-catching, some humdrum. Inevitably, some of it has not been thought out properly.

Has the Welsh Grand Committee been able to debate the changes as they apply to Wales? Obviously not. The changes to the funding and status of S4C are an obvious

example. They are being rushed through without consultation and without the principal parties involved being consulted properly.

For example, I received an instructive parliamentary answer on 28 October from the Department for Culture, Media and Sport. I had asked when the Welsh Assembly Government, the Welsh Minister for Heritage, S4C, the Secretary of State for Wales and the BBC had been informed of the S4C decision. The answer was that they had been informed

"in the days leading up to, or at the time of, the spending review and licence fee settlement announcements." [*Official Report*, 28 October 2010; Vol. 517, c. 413W.]

Hon. Members can decide for themselves if that is a respectful, or even effective, way of deciding the future of a key Welsh institution. The plain truth, of course, is that the S4C decision was rushed through to achieve a cost saving for the DCMS.

I will dispense with the rest of my speech, but will make a point about last night's debate, when the hon. Member for Clwyd South (Susan Elan Jones) referred to the *Encyclopaedia Britannica* and its famous entry for Wales: "See England". That quote usually draws gasps of amazement, from some quarters at least, but what is less often mentioned is that when one looks Wales up under England, there is scarcely anything there. Wales under England just disappears. Without a proper forum for debate, without a specifically Welsh means of holding the Government to account in the House on behalf of the people of Wales and without proper powers for the Welsh Assembly, Wales under England just disappears. As far as I can see, that suits the Government just fine. No wonder they are so loth to hold Welsh Grand Committee debates.

10.40 am

Owen Smith (Pontypridd) (Lab): It is a delight to serve under your chairmanship, Mr Caton. We are particularly lucky that a Welsh Member and a Welshman is in the Chair. That is particularly appropriate.

I offer my warmest congratulations to my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael) on securing the debate and on highlighting the twin critical issues at its heart. The debate is about balancing the rights of the minority in the House, or the Opposition party, against those of the majority, or the Government party, in scrutinising legislation as it relates to Wales. There is also the larger, far more important issue of balancing the rights of the minority country, Wales, against those of its dominant partner, England, in their peculiar and, for the moment, stable union within the UK.

Too many Members to list have spoken with enormous passion about both those critical issues. Their eloquence and passion bears great testimony to just how deep the feeling is among Opposition Members that Wales—our country—is being ill served by the coalition Government. We feel that we are being disrespected, disregarded and, today, disfranchised.

Alun Cairns: Would the hon. Gentleman not acknowledge that, among the many crocodile tears that have been shed today, there is just a hint of self-interest?

Owen Smith: No, I would not. Throughout the debate, one of the most disconcerting things about the Government's Front Benchers, and particularly the silence of their Welsh Front Benchers, has been the absolute failure to acknowledge that there are any legitimate questions to be asked about balancing the interests of Wales against those of England. The continued refrain has been that we are talking about balancing one seat and the votes in it against another seat and the votes in it. There is a legitimate issue there, and we have acknowledged throughout that the issue of equalisation is legitimate, but it is just as legitimate to address the issue of balancing the aggregate weight of Wales and Welsh seats against that of English seats—our Dai of 40 seats against the English Goliath of 533 seats. That is a legitimate question, and the Welsh Grand Committee should have met to consider it. The Secretary of State's decision repeatedly to deny Welsh Members our right to discuss these critical issues is yet another example of the disrespect agenda that is the hallmark of this Government's approach to Wales.

Dr Hywel Francis (Aberavon) (Lab): Under the previous Government, the then Secretary of State for Wales, my right hon. Friend the Member for Neath (Mr Hain), was anxious to hold an early meeting of the Welsh Grand Committee to discuss the Welsh Affairs Committee report on the National Assembly for Wales (Legislative Competence) (Welsh Language) Order 2009. However, as a result of the Select Committee's intervention while I was its Chair, the Secretary of State graciously acceded to delaying the meeting. Is that not the way the present Secretary of State should behave? She should listen, as another former Secretary of State, my right hon. Friend the Member for Torfaen (Paul Murphy), said.

Owen Smith: My hon. Friend makes an excellent point. One thing that is clear from the debate and from the history of the Welsh Grand Committee is that Labour Secretaries of State and, indeed, previous Conservative Secretaries of State have a starkly different attitude from the present Government to listening to those who represent Welsh constituencies and to calling the Welsh Grand Committee when we need to discuss matters of importance for Wales. The Committee met 21 times at the discretion of my right hon. Friend the Member for Torfaen (Paul Murphy), but it has met once in the past six months. We still do not know whether it will meet to consider the CSR, but it must.

I want to start my substantive remarks with a challenge to the Minister. I want him to defy my assertion that the Parliamentary Voting System and Constituencies Bill is having a far greater impact on Wales than on any other area of the United Kingdom. Wales is losing 25% of its constituencies versus just 6 or 7% in the rest of the UK. That impact is out of proportion. The Minister will argue that that is happening because Wales has historically smaller constituencies, but can he, unlike his hon. Friends on the Front Bench, not accept that a specific case can be made for Wales? We are not the west midlands, but a separate, distinct nation with a different set of priorities. That is what needs to be considered alongside the legitimate questions about equalisation.

Albert Owen: Had the hon. Member for Cardiff North (Jonathan Evans), who claimed to be a democrat, given way, I would have asked him whether it was not more democratic that there was a referendum in Wales as part of the devolution settlement. That settlement said that we would retain the same number of Welsh representatives in Parliament. We are now having another

[Albert Owen]

referendum. Would it not have been sensible to wait until after the people of Wales had spoken in that referendum and we had seen the outcome before gerrymandering seats in Wales?

Owen Smith: Again, I completely agree. It is an absolutely telling indictment of the Government that they did not even think about the implications of the referendum because they are hellbent on railroading the proposed changes through in an attempt to rig not only the next election, but successive elections. This is about trying to secure Tory power in perpetuity, and we need to defend against that.

As various Members have said, the Welsh Affairs Committee is a Tory-chaired Committee with a Tory majority. It concluded unanimously that the proposed changes would have an impact on not only Wales, but the UK—on our constitution and the union between Wales and England.

Alun Cairns: This is the second or third time that I have heard the point about the make-up of the Welsh Affairs Committee, but it is made up in just the same way as every other Select Committee. Will the hon. Gentleman tell me when this Administration introduced the process and structure that led to the imbalance that he talks about?

Owen Smith: I will respond with a counter-question, I am afraid. As someone who sat with me on that Committee, does the hon. Gentleman deny supporting its conclusion that the Bill would gerrymander the map of Wales and should not be passed?

Kevin Brennan: Although the Select Committee will reflect the Government's majority, it was the Government who decided to have a Conservative Chair. Can my hon. Friend imagine their doing the same to the Scottish Affairs Committee?

Owen Smith: To be honest, given the way they have been behaving recently, yes, I can imagine that. That is precisely the sort of thing they might consider doing, no matter how outrageous it is. *[Interruption.]* No, I will not give way any more. I want to ask the Minister a further question. If he cannot deny that Wales will be affected more than other parts of the UK, is he telling his constituents that? Is he explaining to them that he is sitting idly by watching Wales burn and his constituents' representation in Parliament be diminished? I would be intrigued to know what his constituents in Clwyd West think about that.

I would also be intrigued to know whether the Minister has told his constituents, as we have heard so often from Conservative Front Benchers, that people's local identities and local communities, as reflected in their political representation, no longer matter. Apparently, none of that matters, and the only thing that counts is a crazy arithmetical formula for determining in a Bill how our constituencies should be organised henceforth. Is the Minister telling his constituents that that is all that matters these days and that their identities do not?

Roger Williams: I thank the hon. Gentleman for giving way, but I just leave him with this thought. MPs have to deal with important issues, such as education and health, and we in Wales have democratic representation in the Assembly for that. There is nothing equivalent for the regions of England, so the democratic deficit will lie more in England than in Wales.

Owen Smith: I do not accept that at all. The critical point is that in 1997 Wales voted for devolution—*[Interruption.]* Perhaps hon. Members will listen. It voted for devolution and not marginalisation within the affairs of the United Kingdom. Marginalisation by the back door is happening under the Bill. I am pro-devolution and in favour of further devolution for Wales, as I know many Opposition Members are; but I am not in favour of having as a corollary a reduction without reference to the Welsh people of their voice in Westminster. We did not vote for a lessening of our say here, and we still *want a proper say as part of the UK*. We are not getting that under the present Government.

It is a disgrace that we have not had a Welsh Grand Committee. We face a crisis of constitutional issues, but also, as *The Western Mail* noted this morning, a crisis because of the unfair cuts' impact on Wales. I challenge the Minister to tell us today whether, if we cannot have a Welsh Grand Committee on the constitution, we will get one to discuss the economy and its impact on Wales.

10.50 am

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): It is a pleasure to serve under your chairmanship, Mr Caton. I commend the right hon. Member for Cardiff South and Penarth (Alun Michael) for securing this debate on the Welsh Grand Committee and its scrutiny of Government—although it has ranged considerably beyond those matters. I want to reiterate that the Government regard the scrutiny of the Executive by Parliament as a matter of paramount importance, and, furthermore, that the Welsh Grand Committee has a significant role to play in that respect. Since its foundation in 1960 it has proved itself to be an invaluable body for scrutinising issues relevant to Wales. I commend the right hon. Member for Torfaen (Paul Murphy) who did much to enhance its role.

The principal focus of the Committee is the scrutiny of the Welsh elements of Government policy—elements for which there might not otherwise be sufficient time for debate on the Floor of the House—most notably of course the Queen's Speech and the Budget. However, the Parliamentary Voting System and Constituencies Bill has been different. Despite the myth of Welsh political martyrdom that Opposition Members have concocted today, the timetabling of the Bill has given adequate time for debate, and the Floor of the House of Commons is surely the right forum.

Several hon. Members *rose*—

Mr Jones: I will not give way, because I have listened to speech after speech from Opposition Members and we have little time. *[Interruption.]* Perhaps I can address that.

This is a Bill on which many substantive votes have been called.

Ian Lucas: Will the Minister give way?

Chris Ruane: Will the Minister give way?

Mr Jones: No, I will not.

Martin Caton (in the Chair): Order. The Minister has said he does not intend to give way.

Mr Jones: I have listened for the past hour and a half to histrionic rubbish from Members on the Opposition Benches and it is about time that that was redressed.

It is accepted that there is considerable political interest in the Bill throughout Wales. The focus of interest was clause 11, which deals with the number of seats, and which was debated last night—the right hon. Member for Torfaen made an important contribution—and clause 13, which decouples Assembly constituencies and parliamentary constituencies in Wales. That was not reached last night, although I waited all evening to debate it.

From the start, the Government were careful to make adequate time available for the Bill. My role, as the Wales Office Minister responsible for taking through the Wales-specific elements of the Bill, working closely with the Bill Minister—the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), who has responsibility for political and constitutional reform—is to ensure that Welsh issues are centre stage during the Bill's passage through the House.

The Government allowed adequate time for debate on the Floor of the House. The original programme motion approved by the House on Second Reading provided for five days of debate in Committee. Subsequently an additional six hours of debate were granted to make sure that on days when there might be statements, there would be adequate time for debate.

The five days that were allowed in Committee compare more than favourably with the three days in Committee that were allowed for the Government of Wales Act 2006, which was forced through by the right hon. Member for Neath (Mr Hain). I reiterate the point that I made to the right hon. Member for Torfaen—that neither for the Government of Wales Act 1998 nor for the 2006 Act was a Welsh Grand Committee convened, because of the simple fact that the right forum for debate was the Floor of the House of Commons. There have been five days in Committee and two days on Report—36 hours of debate. *[Interruption.]* No, I will not give way. That has given more than adequate time. Have Opposition Members taken advantage of that time? No, with the honourable exception of the hon. Member for Rhondda (Chris Bryant), from whom we have heard at length. They have done nothing but agonise and posture over process, and the complaints about the non-convening of the Welsh Grand Committee are symptomatic of that.

The matter is nothing to do with concern about constitutional arrangements. It has everything to do with Opposition Members' concerns about their own partisan position as Members of Parliament, because they know, as the hon. Member for Pontypridd (Owen Smith) has indicated, that there will be a reduction of 25% in the number of Welsh constituencies, because Wales is grossly over-represented in the House of Commons. The debate has everything to do with the vested interests of the Labour party, which seeks to preserve political advantage over the concerns of the nation as a whole. I see nothing wrong with a Bill that will ensure that a vote in Arfon, Ceredigion or Clwyd West is worth the same as a vote in any other part of the country. That is fairness, and the people of Wales are nothing if not a fair people. If the hon. Member for Pontypridd does not understand that, he has made a very poor start to his parliamentary career.

Paul Flynn: On a point of order, Mr Caton. The Conservative spokesman intervened on other speeches and has refused interventions on his own speech.

Martin Caton (in the Chair): The gift of allowing interventions is entirely in the control of the hon. Member who is speaking.

Mr Jones: To reiterate, this morning there has been nothing but posturing over process, and histrionics from the Labour party, which did not want to debate the issues on the Floor of the House. Had its members wanted to debate them, and not to push to the limit the bounds of what might be, but clearly is not, regarded as filibustering, we should have had adequate time for debate. We have heard a ludicrous set of objections from the Opposition.

There will be, in due course, further Welsh Grand Committees, and they will be called for matters that are appropriate for such Committees. Issues that are appropriate for the Floor of the House will be debated there. Issues that are appropriate for Grand Committees will be debated there. The next time Opposition Members have the opportunity to debate in Grand Committee, I hope they will contain themselves and listen with more respect to speakers on the Government side. Their synthetic outrage will not resonate in Wales at all. The Bill that is going through the House will ensure fairness for people in every part of the United Kingdom. Had the Opposition sought to do so they could have debated the issues on the Floor of the House, rather than avoiding doing so.

10.58 am

Ian Lucas (Wrexham) (Lab): I am grateful to be allowed to speak briefly. That was a hugely disappointing speech from an hon. Gentleman whom I previously held in high regard. In particular he several times suggested that Opposition Members had not tried to take advantage of proceedings in the Chamber. That is completely untrue. I spent a great deal of time taking part in those debates, including speaking in them.

Kevin Brennan: Will my hon. Friend note that the Minister refused to give way because he did not have enough time, then did not use the time he had available?

Ian Lucas: Indeed. The Minister should be speaking for Wales, and he has become the lapdog of a Government who are a disgrace to the United Kingdom and are pursuing the Bill for entirely party political, partisan motives. We will have our say and be heard. We will speak for Wales, because we have a Government who do not.

10.59 am

Paul Flynn (Newport West) (Lab): The key point about the debate is that the Government have chosen 50 seats as a cut, knowing that that will affect Wales, Scotland, Manchester and other Labour areas. That is a cynical piece of gerrymandering, and is despicable—

Martin Caton (in the Chair): Order. We must move on to the next debate, on the post office network.

Post Office Network

11 am

Geoffrey Clifton-Brown (The Cotswolds) (Con): It is a pleasure to serve under your chairmanship, Mr Caton, and I thank you and Mr Speaker for giving the House the opportunity to debate this important subject. Although it may not be quite as lively as the previous debate, it nevertheless affects constituents throughout the United Kingdom. I therefore hope that many Members will be able to take part. I welcome the Minister to his seat. He is extremely welcome, and I am sure that he will consider my proposals with great sympathy.

This subject was more broadly debated in the main Chamber during the Second Reading of the Postal Services Bill last Wednesday. I start by offering my overwhelming support for the proposals put forward by the Government in their effort to protect the future of Royal Mail and the post office network. Unlike the previous Administration, which for more than 13 years chose to manage its decline, the Government have taken decisive action within their first few months.

The Secretary of State noted on Second Reading:

"The previous Government's closure programme shut 5,000 post offices." [*Official Report*, 27 October 2010; Vol. 517, c. 352.]

Once and for all, the Bill reverses the decline of Royal Mail by tackling the £8 billion pension deficit; in terms of today's debate, it provides a new vision for the future of the Post Office and guarantees the universal service obligation to the 28 million addresses in the UK. It is an assurance that the days of wholesale closure are over. I wholly support the Business Secretary.

Mr Russell Brown (Dumfries and Galloway) (Lab): I welcome the fact that the hon. Gentleman has managed to secure this debate. He is precise in what he said about the previous Government, but would he care to tell the House how many post office closures took place in the five years prior to Labour taking power in 1997?

Geoffrey Clifton-Brown: If the hon. Gentleman looks at the figures, he will find that there were more closures during the 13 years of Labour Government than under the previous Conservative Government. He should be careful when considering the figures.

Tony Baldry (Banbury) (Con): One problem is that the Post Office has to be so heavily subsidised that it classifies as state aid, and there are difficulties with the state aid rules. If we start to lever more private finance into Royal Mail and the Post Office, those difficulties will, I hope, not pertain. That will give the Post Office greater freedom to run post offices wherever it wants.

Geoffrey Clifton-Brown: I am grateful to my hon. Friend and constituency neighbour for that intervention. The Minister will need to use all his ingenuity to make the European rules flexible. My hon. Friend and I have taken part in many Post Office debates, and we urged the previous Government and then Post Office managers to allow greater flexibility in running post offices and to allow more private finance to allow a greater range of services—in short, to run post offices a little more as if Tesco were running them given its branch network.

Albert Owen (Ynys Môn) (Lab): I did not support my Government's change in the closure programme, but the hon. Gentleman is right to point out that many post offices closed under both Conservative and Labour Governments. He is a reasonable man and will acknowledge that one reason for the speedy run-down of business in many post offices was the internet and new technology. Does he accept that we now have the opportunity to upgrade the post office network so that it can provide 21st-century services, something that was denied it during the previous two decades?

Geoffrey Clifton-Brown: That is precisely the reason for today's debate. We need a little innovative thinking and a forward-looking vision for the Post Office to ensure that the maximum amount of the network remains profitable and open to serve the communities in which post offices are placed. That is what I hope to hear from the Minister. I shall now make some progress.

The most important thing that the Secretary of State said last Wednesday was that

"the Post Office plays an essential social and economic role in our communities." [*Official Report*, 27 October 2010; Vol. 517, c. 351.]

All Members know that only too well. Probably the first person to hear about a problem in the community is the postmaster or postmistress. This is precisely why I fought so vehemently against the announced closure of 12 post offices in my constituency in 2008. The closure of the local post office can have a huge effect on the community, but none more so than those in rural parts of the country, which often have no public transport and have already witnessed a decline in such services as pubs, schools, local shops and other amenities.

Mr Mark Williams (Ceredigion) (LD): I agree with the hon. Gentleman about the effect of closures on rural areas. He talks of reducing hours, but does he share my alarm that Post Office management seems to be retiring sub-postmasters in order to reduce the opening hours in rural areas of the sort that he and I represent? That is a worrying trend.

Geoffrey Clifton-Brown: Yes. That was part of the dogma used to support the 5,000 post office closures that took place under the previous Government. We need to tailor post office services to meet the demand of the local population. That might mean more flexible hours, but not necessarily a reduction.

The post office is truly at the heart of the community, and I warmly welcome the steps that the Government are taking to keep it there and to diversify the services that it can offer. It was clear at the time of the closures two years ago that the Labour Government were insistent on pushing through their target of closing 5,000 post offices, irrespective of the viability of the individual branch. At times that meant that the will of the political masters was imposed against the better judgment of the Post Office, which knew that in certain circumstances, profitable branches were being closed. So badly thought out were some of the closures that a third of the last Prime Minister's Cabinet actively campaigned against them.

I know that many Members will want to debate broader questions about the future of the post office network that they may believe were left unresolved after last Wednesday's debate, but my comments are far more

locally based. They centre on the prospects of a bright future for two branches that suffered during the 2008 cull. I quote the Business Secretary again. During last week's debate he declared:

"I can today announce £1.34 billion of new funding for the Post Office over the spending review period."

That is extremely welcome. He went on to state:

"The funding will be used to reform the current network, to change the underlying economics, and so reverse the years of decline and secure its long-term future."—[*Official Report*, 27 October 2010; Vol. 517, c. 353.]

That is exactly the positive thinking that my hon. Friend the Minister and the coalition Government want to see.

That upbeat and optimistic statement will bring hope to many, including me. With that in mind, I present a ready-made solution to the Minister that I believe will fulfil all those goals. The best part about it is that it will barely cost a penny and will offer a high return. I hope that it will be music to the Minister's ears, and will leave him singing like a postman. I come from Norfolk, Mr Caton, which has a song about singing postmen; but you will be glad to hear that I shall not sing it, even with a Norfolk accent, which I am perfectly capable of doing.

The two branches in question are in Stratton and the Beeches, both on the outskirts of the market town of Cirencester in my constituency. Both were closed in 2008, with no option for outreach. I vigorously campaigned against that decision because it was patently wrong. Although we are looking to the future this morning, I must go back to the past once more to highlight the ludicrous nature of those decisions.

I turn first to Stratton. There was a deep conviction in the community that the decision to close the branch was taken not on a financial basis, but simply because of its proximity to the Crown post office in Cirencester. The sub-postmaster, Mr John Lafford, reported that in January of that year the branch had a turnover of over £468,000, a point that I raised in this Chamber at the time. Such was the strength of Mr Lafford's business case for that branch that he was willing to turn down a possible payment of £100,000 to keep the post office serving the community.

At the time of the closure, the branch also provided a far greater range of services than those that met purely postal needs. No other post office, including the Crown post office in Cirencester, had a lottery terminal, and Stratton was the only place where lottery cheques could be issued. That is the sort of innovative thinking and services that all post offices should be offering. By being placed in the local convenience store, the post office was truly at the heart of the community, as it is in so many towns and villages up and down the country.

The closure of the branch in the Beeches demonstrated a similar lack of forethought, given that there is a development in the vicinity that will see the building of approximately 650 new homes. That development would have provided even more trade for the current branch, if it had been kept open. However, it is when taken together that the closures become even more ridiculous, because of the collective number of people affected. Those two branches, being on the outskirts of Cirencester, took in trade from the outlying villages. When they closed, not only were 5,400 residents of Stratton and 12,000 people within a mile of the Beeches forced to use the one already unsuitable branch in Cirencester, so too were the residents of 19 villages covering 100 square miles.

The Cirencester branch was already blighted by long queues. It did not have suitable parking facilities, making it extremely difficult for people with large parcels to use the service. That is an important service for businesses, in particular in light of the growth of online marketplaces, of which there are many such businesses in Cirencester. It was also inaccessible to elderly and disabled people. The Post Office's own figures show that over a fifth of those residents within a mile of the Stratton branch and nearly a third of those within a mile of the Beeches were retired. For many elderly people who wrote to me at the time, the concept of a walk to a bus stop—if it indeed existed—a bus ride, a walk to the post office, then a long queue before being served, in no way met the Post Office's accessibility criteria.

Although it is true that the closure of the two branches was compliant with the accessibility criteria, it was no way in the spirit of them. It gives me no pleasure to report that my concerns, raised at the time, have been proved absolutely correct, particularly about the lack of suitability of the Cirencester Crown branch to cope with the influx of new customers. Indeed, research from Consumer Focus notes that since the 5,000 post office closures, average queue times have got significantly longer. The local impact is reflected in a letter from my constituent Valerie King, who wrote to me on 2 July this year with regard to the Cirencester Crown branch, where she noted:

"On many occasions I have been in a long queue, sometimes stretching outside....the elderly are particularly affected as there is nowhere for them to sit and the wait can be quite long. Invariably there are never more than three windows open which at busy times can be infuriating."

Roger Williams (Brecon and Radnorshire) (LD): The hon. Gentleman clearly sets out some of the problems that have arisen from closures. I was pleased that in my constituency we were able to get the reprieve of two post offices, one in Brecon and one in Llandrindod Wells. Some of the others have to make do with the services of a mobile facility. I do not know if it is the experience of the hon. Gentleman but, for us, it is a very second-rate service, compared with the previous service, or even when a post office is situated in a local shop, pub or other facility.

Geoffrey Clifton-Brown: I am grateful to the hon. Gentleman for that intervention. I believe an outreach service can work very well, and I am going to go on to suggest a solution on those lines. It is variable; I have a lot of outreaches in my constituency, relating to the 12 post offices that were closed. Some work well, some not so well. It is up to all of us to try to see how we can rejig the services and the hours, working with the Post Office—I hope the Minister might be able to say something about that today—and, with a little bit more flexibility from the Post Office, to see how in the individual localities they can be made to work a little better.

The building of new houses in the Beeches has begun and, secondly, the Cirencester branch has been moved. Far from easing the problem, that has added to the car parking difficulty, forcing the parcel and other business into the hands of the courier operation and, as has already been said by the hon. Member for Ynys Môn (Albert Owen), into the internet business and so on as well.

[Geoffrey Clifton-Brown]

I would like to offer my brief vision of the future to the Minister. I use "my" very loosely, as credit for this must go to Gary Kirkman, the postmaster of Bourton-on-the-Water and John Lafford, the former postmaster for Stratton, for framing the technical realities of the approach, to Councillors John Burgess and Peter Braidwood in Cirencester for their on-the-ground know-how, and to Lee Cox, the former postmaster of the Beeches. At the time of the closures, I suggested in my response to the consultation that at the very least an outreach service should be provided at Stratton and the Beeches, but that was not heeded. I have been monitoring the progress of outreach services elsewhere in the Cotswolds, as I have said. Although it is not always the full-time postal service that customers were previously used to, people work around the outreach hours, albeit sometimes reluctantly, and the postmasters are committed to an excellent service delivery.

It was in an approach to me by Gary Kirkman, the postmaster at Bourton-on-the-Water, who also provides outreach services in my constituency to the villages of Longborough, Guiting Power, Sherborne, Aldsworth, Temple Guiting and Stanway—so he has a track record of managing these outreach services—that I discovered that not only were his outreach services functioning well, but he has the capacity and will to take on more branches, such as the Beeches and Stratton. Discussions with the former postmasters John Lafford and Lee Cox in Stratton and the Beeches have proved that they continue to recognise the importance of the post office both to the community and to their businesses, and they both see a future for this proposal.

The Minister will no doubt be aware of my letter to Mr David Smith, the managing director of the Post Office, of which he received a copy, outlining these proposals. They bear repeating. It would be a hosted outreach branch with a location within Stratton and the Beeches, with the core post office in Bourton-on-the-Water acting as the service provider. Customers would be able to drop off parcels during these hours, and these would be taken to Bourton or Cirencester at the end of the day. I can report that since that letter was sent, I have received a letter dated 28 October from Mr Mark Wright, the network change development manager at the Post Office, stating:

"The post offices nationwide network is kept under constant review so that we continue to meet the changing needs of our customers whilst at the same time working to protect the financial stability of our network."

That is beginning to show the sort of flexibility that I would expect from the Post Office. Mr Wright goes on to say that, as a consequence of my letter, he will be conducting a review of the proposals and has offered to meet me to discuss this further. Of course, I will take up that offer and use the opportunity to highlight the benefits of these proposals, and I will take the time I have left to remind the Minister of them.

The outreach services will provide a welcome alternative to the overworked, inaccessible Cirencester post office, without significantly affecting its profitability. Indeed, with the current difficulties of accessing this Crown branch, people are choosing not to use it at all. As reported by Consumer Focus, Crown branches across the UK continue to lose approximately £60 million a year, almost one third of the Government's subsidy of £180 million committed in 2011-12. Rather than taking business from the Cirencester branch, these proposals would provide scope for recovering business lost since the closure of the branches in Stratton and the Beeches. The really good news is that the proposal only has minimal variable costs which can be more than covered or reduced through alteration to the opening hours to match demand, and requires the purchase of very limited new equipment—limited to just a computer and a security box, I am informed. At a time when localism is high on the agenda, when carbon footprints and green issues are at the forefront of Government policy, this is a clear opportunity to return services to the locality where they are needed, thus saving unnecessary car journeys and reducing congestion in the town of Cirencester.

Finally, and perhaps most significantly, I believe the proposal, if seen through, would send a clear message that the post office network under this Government is not just about closure, but is about providing a service in the location and at times that people really want to use it. That in turn will help profitability, underlining the fact that outreaches could in part be the saviour of the post office network. The Secretary of State for Business, Innovation and Skills made clear last Wednesday:

"There will be no programme of closures under this Government." [*Official Report*, 27 October 2010; Vol. 517, c. 353.]

Although there may be no programme of closures, the Secretary of State and the Minister today will be aware that changes to the business environment still mean that sub-post offices are continually being closed due to non-profitability and retirement of postmasters. Although I have chosen to present the case for Stratton and the Beeches, I believe that this idea could be implemented nationwide, first, by seeing if outreach could be provided by a nearby branch when a full-time post office becomes unviable and closes. That would maintain postal services by replacing an unprofitable branch with a profitable outreach service, which in turn would strengthen the business case of the core provider.

Tackling the problem of branch closures while trying to maintain the number of post offices, through replacing a closed branch with a new business model of outreaches that would have a variable cost to meet demand, avoids the need to maintain the existing model, which has a high fixed-cost base and an uncertain viability in certain locations. Although an outreach is not a full-time post service, as I said to my hon. Friend the Member for Brecon and Radnorshire (Roger Williams) when he intervened, it can provide all those services offered by a Crown post office, such as the purchase of bonds, foreign currency, insurance and so on, which sub-branches cannot always offer.

As the Government look to extend the range of services offered by post offices, each outreach provider could do the same. That may be of even greater importance as proposals for the Royal Mail are moved forward. With many postmasters deriving some of their income from running a sorting office for Royal Mail, if they were to lose that part of their business they would need to find a way to make up the difference. Taking on additional outreach is a simple and beneficial solution all round. I am confident that the proposals that I have for Stratton and the Beeches, by meeting demand, will be profitable for both the outreach provider and the Post Office. In addition, they would set a precedent nationwide if those conditions can be met.

Although I am sure that many right hon. and hon. Members will talk about the wider picture of the post office network today—an issue that the Minister will also want to address—I ask the Minister for his reassurance that he will use his political influence to work with the Post Office to see these innovative proposals through. Previous Ministers used their political influence incorrectly on the Post Office in 2008. He has the opportunity to use his ministerial responsibility to help to correct that wrong and to demonstrate this Government's commitment to protecting and growing the post office network nationwide. The message that the Government need to give to the Post Office is not "closure, closure, closure" but "opportunity, opportunity, opportunity".

11.21 am

Mr Mike Weir (Angus) (SNP): I congratulate the hon. Member for The Cotswolds (Geoffrey Clifton-Brown) on securing this important debate.

I have been debating the issue of post offices in all the time I have been in the House, and throughout that time there has been a continual decline in their number. Just before the general election of 2001, there were 1,933 post offices in Scotland. By March of this year, the figure had declined to just 1,446. In many areas of Scotland, the decline has been worse than in others.

In my own constituency of Angus, we have lost a number of post offices despite vigorous opposition to their closure. I am pleased to say that, in the last closure programme, we managed to save three post offices through local campaigns in the constituency. However, there remains a problem with many post offices, as alluded to by the hon. Member for The Cotswolds. Some are now in insufficient premises. Three of the large towns in my constituency—Forfar, Kirriemuir and Montrose—are now down to one post office that serves the entire town. Often, there are large queues at those post offices, which causes great frustration for customers.

I note that the Government have said that there will be no more closure programmes, but as the hon. Gentleman rightly said, that does not necessarily mean that there will be no more closures, because many sub-post offices are still facing financial challenges, particularly in these difficult times. I suspect that there will continue to be closures for other reasons.

I do not want to get involved in a sterile argument about who is to blame for the most post office closures—whether it was the last Government or the Tory Government before that. The truth is that post offices have been closing for a number of years, and we should look at how we move post offices forward and prevent closures in the future.

It should be borne in mind that many of the remaining sub-post offices are not stand-alone post offices but are coupled with a shop, which is often the only shop left in the local community. Indeed, I can think of only two post offices in my constituency that are not part of another business. It seems to me that in the last few years, the Post Office has deliberately gone out of its way to get rid of stand-alone post offices and get postmasters to take post offices on as part of another business, which is an interesting development to note.

The post office business itself does not provide a living for those running the business, but it is an important part of the business—the two elements cross-subsidise each other. The loss of the post office business or any other part of the business could bring the whole business down. In my view, we need to find ways of ensuring that the whole business is more viable.

I point out to the Minister the example of what has happened in Scotland. The Scottish Government have introduced a business bonus scheme that provides relief to businesses with properties in Scotland with a combined rateable value of £18,000 or less. The scheme has now been expanded, and where the cumulative rateable value of the properties of a business falls between £18,000 and £25,000, the scheme will offer some relief—up to 25%—to individual properties. As a result, all properties with a rateable value of up to £10,000 pay no business rates; those properties with a rateable value of between £10,000 and £12,000 get relief of 50%; those properties between £12,000 and £18,000 get relief of 25%; and, as I explained, if the cumulative values of the properties of a business are up to £25,000, the business can also get 25% relief on individual properties.

That scheme has been a huge boost to small businesses in constituencies such as mine, where many were struggling with the rates, which is one of small businesses' major costs. It has obviously helped small post offices in villages and towns throughout Scotland.

In addition, the Scottish Government have launched a post office diversification fund, which has recently made awards totalling £1 million to help post offices to diversify and launch new business activities, in order to strengthen the vital role that they play in our local communities. The fund opened in July, with 49 post offices in 22 areas bidding successfully and receiving awards of up to £25,000. Examples of the diversification schemes that were approved include setting up an internet café, which the hon. Member for Ynys Môn (Albert Owen) was talking about earlier, and selling local produce. Indeed, I believe that one of the successful schemes involved setting up a post office in a fish and chip shop. That shows that those who run post offices are really thinking about how to meet the challenge of the future. The Welsh Assembly has, I believe, taken similar measures to boost post offices.

Those are concrete examples of how relatively small sums of money can be utilised—

Albert Owen: The hon. Gentleman is making a very strong argument about rural post offices and indeed about some post offices in urban areas, including small towns. As he said, the diversification programme gives grants, but one of the drawbacks is that if a business suffers and has to close or change, it loses that grant. Is there not an issue with mutualisation? I hope that the Minister will refer to it in his winding-up speech. Businesses are uncertain about which part will be mutual and what assets actually belong to the postmaster and can be held on to by them.

Mr Weir: The hon. Gentleman makes a good point and I was going to come on to the question of mutualisation in a moment.

As I was saying, the examples I have just given are concrete examples of how relatively small sums of money can be utilised to help to strengthen the post office network and hopefully put it on a more secure financial

[Mr Weir]

footing, thus helping to boost economic growth in many rural communities where there is often little other economic activity.

Indeed, Mervyn Jones, the commercial director of the National Federation of SubPostmasters, commented on the Scottish scheme:

"This announcement of successful applicants by the Scottish Government is most welcome. It means that many sub-postmasters can now invest in their businesses which will help them make their post offices more viable. The success of this scheme demonstrates the commitment that both the Scottish Government and our sub-postmasters have in maintaining this vital community service."

I also note that, in a briefing for this debate, the National Federation of SubPostmasters says:

"Local and devolved government should offer full, automatic small business rates relief to support post offices; and provide grant funding to enable improvements in post offices and their retail businesses."

That is what the Scottish Government and the Welsh Assembly are already doing, so perhaps the Minister should consider doing it in the parts of England that could also benefit from such schemes.

However much help is given to sub-post offices, it will not assist them if the basic business is allowed to atrophy. We had a lively debate on the Postal Services Bill last week. The Minister will not be surprised to learn that I still oppose the privatisation of Royal Mail, but I am interested in some of the possibilities for the post office network that are contained in the Bill, and I would like to explore his intentions with regard to those possibilities.

In that debate on the Postal Services Bill, I asked if there was any international equivalent of what is being proposed in the Bill, whereby there would be a division between the mail carrier and the post offices. I did not get a response to that question; indeed, it is a question that the National Federation of SubPostmasters has also asked. I wonder whether the Minister can let us know today if such an example exists that we can look at, to see how the proposed system might operate.

Clearly, that matter is of some importance because much of the work of the existing network comes through the inter-business agreement between the two companies in the network. Once again, the National Federation of SubPostmasters has raised concerns that that agreement might not be continued after privatisation. I know that the Minister's view is that the brand identities of Royal Mail and Post Office are so interlinked that it would be in their interests to continue, but I am not so sure, once commercial profit becomes the overriding motive of the privatised delivery service, that it will necessarily continue with that link rather than considering other links as ways of delivering services. The future of post offices, particularly those outside major urban centres, remains in danger.

I turn to the point raised by the hon. Member for Ynys Môn about the mutualisation of the Post Office. I am a huge supporter of mutuals, and the idea is interesting. I would genuinely like to know more from the Minister and the coalition Government about how they propose to take it forward and how it would work. As I said earlier, all but two of the post offices in my constituency form part of another business. In other areas, many are situated in branches of WH Smith, for example, or a local supermarket. The structure is diverse, and it is difficult to see how it might work as a mutual organisation. I am not saying that that is impossible, but I wish that he would give us more detail so we can consider it, especially before the Bill is debated in Committee. I think that many Members would be interested in supporting the concept of a mutual structure, but we need to know the detail of how it will work. There is a great reluctance simply to accept the concept without knowing exactly what is being proposed.

Many post offices are integrated with other parts of a business, so individual sub-postmasters are concerned to know how that will work in a mutual structure. As the hon. Member for Ynys Môn asked, will the post office or the whole business be part of the mutual? How will the mutual interrelate with the rest of the business? If the Minister can convince many of us that there is a way forward, I think he will be able to gain support for the mutualisation rather than the privatisation of Royal Mail.

The post office network continues to play a vital part in the life of local communities, even in its slimmed-down state, and I hope that it will continue to do so for many years to come. I also hope that the Minister is right in saying that the days of mass closures are behind us, but it seems to me that a great deal of uncertainty remains about the future of the post office network, given the privatisation of the mail carrier and the woolly nature of the privatisation proposals. He needs urgently to flesh out Government policy on mutualisation.

The devolved Administrations are doing much to help keep existing post offices open, but we need a clear path for the future of the whole network and the confidence for sub-postmasters to continue investing in their businesses. If mutualisation is to work, they need a much stronger say in how those businesses are run, but there must still be a link to the main carrier, Royal Mail.

Several hon. Members *rose—*

Martin Caton (in the Chair): I would like to start the winding-up speeches at 10 past 12. As you can see, a large number of Members have indicated that they want to contribute to the debate. More brevity means more speakers.

11.32 am

Anne Marie Morris (Newton Abbot) (Con): I thank my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown) for securing this debate on what is clearly an important issue; hence the number of Members here. I also reinforce his comments. Post offices are the lifeline of our local communities. They provide advice and community cohesion. Indeed, one very small post office in Kingskerswell in my constituency provides a local newsletter, which is fantastic. It is absolutely right that the value of post offices cannot be judged only in economic terms. I endorse my hon. Friend's comments regarding the £1.3 billion investment, which I welcome, being offered by the Government over the next four years to prevent closures and assist with refits.

A decade of closures has hit my part of the world particularly hard. The south-west has had the largest decline of any region in the number of post offices. During that period, we lost 214 through Labour's urban

reinvention programme and 277 through the network closure programme. As a result, the south-west has only 1,303 post offices left, which is not very many given the rural spread and nature of its communities.

Survival in my part of the world and in my constituency has, in many cases, been driven by local support. Broadhempston, one of the smallest villages in my constituency, is a good example of the big society in action. It would not have survived without the support of local volunteers. The securing of premises, fundraising and manpower have been locally driven; the only paid individual is one part-time manager. It is a tribute to what that community, and communities in general, can achieve. The post office opening hours in that small village are Monday to Friday, 9 to 12. That is the beginning of a good service, but a number of problems remain that I feel the Government can help us address.

We need to enable small post offices to offer more services. Many of the last decade's closures occurred because the ability to provide services such as TV licences or payment of car tax were either rationed to one post office in a group of four or five, or removed altogether and offered on the internet instead. I urge the Government to consider what we can do about that.

I also ask the Government to be sensitive to local needs. Broadhempston provides services in the morning, but not in the afternoons or on Saturdays. At the moment, the Post Office is refusing to pay the postmaster to work those additional hours, which are crucial. Broadhempston has no broadband, so our businesses depend absolutely on the post office. The Government should be locally sensitive in deciding where to agree to fund extra services. I would like some of that £1.3 billion to go not just to refits but to service provision. Afternoon services will also benefit an elderly population and small businesses; across the country, 19% of small businesses visit the post office daily, and 47% visit twice a week.

My third point has already been mentioned. How can we provide financial support? I welcome the concept of mutualisation and, like many Members, want more information about how it will work, but I would also like us to support those who are already helping themselves. Individuals have invested a lot locally, both in bricks and mortar and through volunteer support. I would like those who have put themselves and their financial assets forward to be helped with match funding or other financial assistance, because many of them have entered into extremely long-term commitments.

In closing—I have made my contribution short—I ask the Minister to consider carefully the specific needs of the south-west. Geographically, we are spread out, and we need support on the ground for our small rural post offices.

11.37 am

Michael Connarty (Linlithgow and East Falkirk) (Lab): I am pleased to be called in this debate, and I thank the hon. Member for The Cotswolds (Geoffrey Clifton-Brown) for raising the issue yet again. As he said, he has a good and honourable history on the matter.

I am pleased to continue the debate that we started last Wednesday, when we had only limited time. As the Minister knows, I have serious concerns about the plan to break up the Post Office and Royal Mail. I have been the secretary of the Communication Workers Union liaison group in this place for more than a decade, and have worked with sub-postmasters and sub-postmistresses on every campaign to oppose the closures that have been deeply damaging to many communities in all our constituencies, particularly in rural areas, as has been pointed out.

My concern about the announcement is what the detail will be. I do not remember Hooper recommending such measures as necessary to save Royal Mail. All the things that Hooper 1 and 2 focused on did not result in a recommendation to break up the two organisations. As has been said, there are substantial synergies. One third of Post Office's income comes from the synergies and the services it delivers for Royal Mail.

I have three concerns for the Minister to address. What will the announced subsidy of £1.34 billion be spent on? What back-of-a-fag-packet calculations has he done? He has put none in the public domain so far. Will that £1.34 billion come on top of the currently planned subsidy of £180 million a year from 2011, or will it include that sum? On the cost of breaking up Post Office Ltd, how much is it calculated will be required to set up a parallel structure removing it from Royal Mail? It is currently a subsidiary of Royal Mail to whose new chief executive it is answerable through another chief executive.

The second problem relates to the historical business model of Royal Mail versus the promises that there will be continuing synergies. It is easy to make promises that that will happen—I heard the new chief executive say that it will—but, in reality, when it comes down to the wire will that be the case? For example, when Royal Mail at the centre was asking too much for the right to issue TV licences, it transferred that business out and would not take it. My local post office could not get that business because Royal Mail at the centre was asking for a fee that there was no willingness to pay. In fact, we started to get that service from PayPal at a service station at the bottom of my village.

Mr Russell Brown: That very point was also raised by the hon. Member for Newton Abbot (Anne Marie Morris); the saving was £100 million for TV Licensing. It was a commercial contract for which the Post Office, frankly, was not even in the ballpark.

Michael Connarty: I recall the detail well, but to me it was an example of a centralised organisation not having in mind the interests of the peripheral parts of the organisation, particularly small businesses. That is why although I am a Co-op party member, I have serious concerns about a mutual taking over all of Post Office Ltd, because it will become another central organisation, with its own raison d'être that is not necessarily the same as that of people in sub-post offices. I have some serious concerns about how the detail of the proposal will work.

I see the Minister smiling. The other issue is that this is another Lib Dem promise. We know that their promises are worth absolutely nothing, particularly to those who voted for them. That is similarly the case with regards the question raised by the hon. Member for Angus (Mr Weir). To say that there will be no closure programme is the stupidest thing I have ever heard. It is like saying, "The world will stand still because we have done this in the Postal Services Bill." The world will not stand still;

[Michael Connarty]

changes will be required. Again, that was mentioned in a Lib Dem promise. It is easy to make promises, but unfortunately the hon. Member for Kingston and Surbiton (Mr Davey) is actually a Minister now; he is in government and he must back up such promises with facts. Is he saying that regardless of how far the income of every single sub-post office in every village or urban community declines, the Government will continue to pile in subsidy? As I said in the debate last week, my calculation is that it would take £270 million a year to guarantee that.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): We have heard many opinions so far and my hon. Friend is making a very important point, but there is a way to boil things down. Most countries have specific provisions in legislation to protect post office numbers but, as it stands, the Postal Services Bill does not.

Michael Connarty: My hon. Friend has made a factual statement and it will be recorded in *Hansard*. There is, in fact, a duty on the Post Office in Germany to provide post offices for towns and communities of a certain size; it has to do that as part of its duty. Under the Postal Services Act 2000, that should have been part of our duty. That legislation said that we could have freedom, but the freedom should have been constrained by discipline, which would have saved post offices in small communities. We should have looked at the business case in such communities and guaranteed that the subsidy would go in.

Mr Brian Binley (Northampton South) (Con): Of course, the hon. Gentleman is right. Nothing stands still in business. There is a cleansing effect and businesses going to the wall are part of that. However, does he recognise that the stage before that, which is within management control, is to help people in small businesses run their business better? That has not been done effectively by the Post Office to date.

Michael Connarty: The hon. Gentleman is slightly over-egging the pudding. I think that the National Federation of SubPostmasters has tried such an approach. It is not as though that organisation has been standing still; it has been talking to its members about innovation and getting more footfall, as the footfall declines. Let us be frank. Many of us are now semi-urban dwellers who travel to large centres to do our shopping—we drive past our post office, regardless of the service it provides. I am and always have been a post office user, but my local postmasters and postmistresses tell me that very few people from the big estates in my village use the post office there; they drive to the centre of the town, where there is a big supermarket and post office.

Neil Carmichael (Stroud) (Con) *rose—*

Michael Connarty: I shall not give way, because I am conscious of the time. I hope that the hon. Gentleman does not mind, but I think that other hon. Members want to speak.

My third concern relates to the structure of the Post Office itself. There are two types of post office: Crown offices, whose closure causes the most damage in terms of people's perception of what they get from the post office, and privately owned, subsidised sub-post offices. The plan was that in 2011 we would need £180 million to maintain the subsidy. Many such post offices are rural; very few are in urban areas.

There was an early Crown post office closure model in my area: a sorting office was kept in Grangemouth in my main town, and a Crown office was retained and rented out to a former post office manager. He has a wonderful shop there. However, the Government are now talking about restructuring in such a way that they will take the sorting office and delivery office away, and it will become completely unviable for an individual to rent such a unit.

In Linlithgow, which used to be the county town, the sorting office went first and then the Post Office said it was unviable to keep the front shop so the post office was moved into a large sweet shop—everyone will know the name, but I will not give it any publicity. Every Monday, it is overcrowded and people cannot get in when it is bucketing down with rain outside. That post office is at the far east of the town. Anyone who knows the geography of Scotland will know that from South Queensferry at the bridges there is no post office until that one in the east of Linlithgow. After that, there are no post offices until Polmont in Falkirk. Post office provision has been unbelievably stripped back.

That is what happens when delivery and sorting are taken away. The same thing happened in Bathgate, where the post office is at the back of a supermarket. If there is a market model, the structure of the Crown offices, which will be given over to Post Office Ltd, will mean there is temptation to do the sensible thing—under a market model—and move away from retaining such buildings in the centre of towns and put them in easier areas outside the town, such as industrial estates. That will be a real threat to Crown offices, which are fundamental to the viability and perception of post offices.

The final problem I shall mention is PayPal. Someone who now works for the Communication Workers Union used to work for PayPal at quite a senior level. They left PayPal and eventually came to the CWU. They said that the board of PayPal would take a loss-leading position to strip out the Post Office monopoly on the things it does now with Royal Mail. That is its aim. PayPal also wants to do cash deliveries. At the moment, there is a system of secure cash deliveries to post offices. PayPal wants to do that. It also wants to pay out benefits—it wants to do everything. PayPal will undertake a campaign to undermine Post Office Ltd, regardless of whether it is a mutual.

The Government are throwing Post Office Ltd to the wolves. The subsidies will not continue, or they will have to grow exponentially. Will the Government explain what safeguards there will be? As my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Gregg McClymont) suggested, will they write in a guarantee that every community of a certain size will have a post office and that the Government will subsidise it? If not, they are sending Post Office Ltd to destruction.

11.47 am

Jason McCartney (Colne Valley) (Con): I congratulate my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown) on securing this Westminster Hall debate. I thank the Minister for being here and for producing various briefings on the Postal Services Bill for my

colleagues. The future of the post office network is close to my heart, not only because I am one of the vice-chairs of the all-party group on post offices, but because my rural constituents of Colne Valley, west Yorkshire, have suffered many post office closures in recent years. In fact, my parents lost their local branch in Holmbridge in the past couple of years.

We all know the crucial role post offices play in our local communities. It is sometimes only when they have gone that we really appreciate what they offered our communities. The role of the Meltham post office in my patch has become all the more important because the last bank branch has closed there this month, with Lloyds TSB pulling out. That leaves the post office branch with the only town centre cash machine, which is crucial.

I am very lucky because I live just a couple of hundred yards from a fabulous community post office in my village of Honley. I can tax my car there, get foreign currency, get my dry cleaning done, and I can even get tasty fresh olive bread—yes, even in west Yorkshire we get such lovely goodies. However, as we heard earlier, we cannot get everything done there. I cannot renew my TV licence and, although I can pay my Yorkshire Water bill, I would be penalised £2.50 for the transaction. The branch is also doing Santander bank work. It is handling bags full of coins and change from businesses and charities, which is a good service. However, for an hour's coin handling, the sub-postmaster tells me that they receive only about £1. That is hardly the basis for a stable business, so all is not well.

What can be done? The National Federation of SubPostmasters has identified several measures that could enhance the network. We heard about many such measures during the debate, and we will hear some more in the next 40 minutes. However, I will end my contribution with the thoughts of my local sub-postmaster, Brenda, who has been running the Honley branch for four and a half years. I called her last night while jotting down some notes. Please remember that it is her business and her family's livelihood.

She made three points. First, Government Departments, central and local, and including the Department for Work and Pensions, must make the Post Office their No. 1 facilitator of services—a point we heard earlier—and prioritise it ahead of telephone and online provision. Secondly, we must understand that post offices need to deliver more work to flourish. They are ideally placed to be the focal point of the big society. Thirdly, we must speculate to accumulate; we have already heard about the £1.3 billion of investment, which Brenda welcomes, but we need to invest now if we are to have a network for decades to come. Money from Royal Mail needs to be invested to bring the branches into the 21st century. Brenda highlighted the fact that that means basic equipment, such as proper scales, which they struggle without. We need to invest in that if we are to have an accessible network that makes sub-postmasters proud, so that in 10 years' time we will not need to put in the rural subsidy.

Simon Danczuk (Rochdale) (Lab): Will the hon. Gentleman give way?

Jason McCartney: I am afraid that I have almost finished. In summary, the Postal Services Bill signals a crossroads for the post office network. It is a great opportunity, and I hope that my colleagues in all parts of the Chamber will join me in fighting for a sustainable, long-term future for our post office network.

11.51 am

Albert Owen (Ynys Môn) (Lab): I apologise for having to leave during the previous speaker's contribution, Mr Caton—it was probably the excitement of the previous debate. I congratulate the hon. Member for The Cotswolds (Geoffrey Clifton-Brown) on securing this important and timely debate, which follows the Government's announcement last week.

I want to start by saying that I support the post office network, and I do so as a customer; I ensure that I pay all my bills across the counter at my local town post office. In doing so, I hope to set an example. As a Member, I ensure that all my office transactions are done in local post offices. As has been mentioned, it is wrong for Members to drive past post offices that are closing down and say, "Isn't it a crying shame?", before going to other outlets. We must lead by example in our communities if we are to keep our post offices.

The important business for post offices is not only from individuals, but from Government Departments and local government. The hon. Member for The Cotswolds rightly said that we need innovative business. One simple business transaction that local government could encourage council tax payers to undertake would be to pay their bills in local post offices. During the network change programme, I suggested that to my local council, because it was outraged that central Government were closing post offices. I challenged it simply to state on the notice that it sent to each household in my constituency that that service was available in post offices, but it refused to do so. Worse still, the chief executive said categorically that the council could save a lot of money by having people pay the bills electronically or in one-off payments.

I think that we are all in this together. We talk about the big society, and my Anglesey community has a big heart, but we do not need lectures on that from anyone. There needs to be interdependency and help from the public, private and third sectors, a point I will come to later. I opposed the network change programme's closures because it was too rigid and came from the centre. I wish that the Conservative Opposition at the time had said that they would put money into that, but they did not commit themselves in the last Parliament to put in the subsidy, which is why I did not support the Conservative motion. I abstained, and people who know me know that I do not do that very often; if I think something is right I will vote for it, and if I think something is wrong I will vote against it. It was wrong of the Conservatives not to commit themselves to the subsidy, but the new Government have said that they will commit additional money to help the post office network, and I support that. It would be churlish not to do so. I think that that is important and must be sustained.

Echoing the comments of the hon. Member for Angus (Mr Weir), I am confused about the mutualisation programme. I support mutualisation. Indeed, I told the previous Secretary of State and the Minister responsible for the Post Office at the time that Royal Mail should be mutualised, because I believe that it is so special in the fabric of British society that it must be treated differently. It should be neither left to the laissez-faire approach

[Albert Owen]

and the free-for-all of the market, nor cushioned as it had been under previous management and Governments. I was told that mutualisation was the wrong model, but I do not think that Hooper looked at that model carefully enough. Welsh Water, for example, which operates in my constituency, is a not-for-profit organisation. It provides a universal, quality service in Wales, and all its profits are reinvested in the company for the benefit of the customers. That is the kind of model we need for Royal Mail. I hope that the Minister will give some details on the mutualisation for the post office network.

Ultimately, post offices are private businesses in the main. They are run by individuals who have invested their own hard cash, time and effort to provide a public service. They are private means. There are also the private subsidies from Government and, in the case of Wales and Scotland, a special diversification programme to help keep the businesses open, so there are three streams of investment to the post office business.

I wonder how the mutualisation will work and, if there is difficulty, how post offices will get help. There will be difficulty, because business is dropping as the pattern continues of people using mechanisation and electronic mail, which is taking over. There are big concerns, which I am sure the Minister will try to address, because it is important that people know now what will happen. I have friends who are postmen, sub-postmasters and in management, whom I work with, and they are all confused about that. We need clarity on that matter

Gregg McClymont: I want to add to something my hon. Friend has said. Our understanding from Post Office Ltd is that only about 4,000 of the 11,500 post offices now open are profitable. In addition to the public subsidy, Post Office Ltd cross-subsidises the loss-making post offices to the tune of £400 million. The Government subsidy is welcome, but we have to be clear that it really is an uphill task. Mutualisation will have to be tremendously successful to make up the shortfall for those 7,500 post offices.

Albert Owen: My hon. Friend is absolutely right, although it is not for me to answer on the Government's proposals. I would like to see something developed along the lines of the people's bank. I would like to see credit union activities in local communities, in which people will have a real say on what goes on.

Stella Creasy (Walthamstow) (Lab/Co-op): I thank my hon. Friend for mentioning credit unions. Does he agree with me that one of the useful things that the Government could do with the subsidy they propose to put into post offices is support the back office integration that needs to happen and the technology that would allow post offices and credit unions to work together?

Albert Owen: I absolutely agree, and I think that a mutual, with its ethics, could do that. There is a way forward, but I am unsure of the detail at present, so I will not commit that that can be done in the proposals we have seen and in the form they have been given.

Other Members wish to speak, so I will conclude my remarks by referring to another issue that the National Federation of SubPostmasters has raised: the separation of the Post Office from Royal Mail, and the inter-business agreement. The hon. Member for Angus asked whether there is an international model that the Minister has in mind that is successful, and I would be grateful if the Minister responded. If we do away with a third of the business or privatise it, there is a risk that it will look at its shareholders as its main priority, rather than the post office network. Those are my concerns, and I am sure that the Minister will look to address them.

[Mr Philip Hollobone *in the Chair*]

11.58 am

Andrew Percy (Brigg and Goole) (Con): I will make a short contribution, as I know that many Members wish to speak. I congratulate my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown) on securing the debate on an issue that is important for all our constituents. The two counties represented in my constituency were badly affected by the most recent round of post office closures. In the Yorkshire part, we lost post offices in Airmyn, Pollington and on Westfield avenue in Goole. Over in Lincolnshire, we lost them at Wrawby, West Butterwick and Eastoft. When my village of Airmyn lost its post office, we sadly also lost our village shop, so we are left with only our pub.

Justin Tomlinson (North Swindon): Does my hon. Friend agree that rural pubs offer an opportunity to protect and enhance the post office network? The Red Lion pub in my constituency recently submitted an application to offer the post office service, which I support, as it is probably a good opportunity to protect our service.

Andrew Percy: I do. As it happens, I was in a different Red Lion this past weekend, in Epworth—it is wonderful. There is an opportunity for pubs and other organisations to be used for outreach services. In fact, I was planning to speak about outreach in a couple of minutes.

The impact of post office closures, particularly on rural communities, cannot be overestimated. I do not believe that the previous Government fully appreciated the impact of losing services such as the village post office and shop.

Julian Sturdy (York Outer) (Con): Will my hon. Friend give way?

Andrew Percy: I will give way to my near neighbour.

Julian Sturdy: My hon. Friend makes a good point about losing the local post office and shop. We had a similar case in Fulford in my constituency: the post office and shop were not viable, but together they are a viable concern and an important community facility. Once the post office goes, the local shop goes, and that is something that we have to remember.

Andrew Percy: I absolutely agree. I remember reading in local newspapers that my hon. Friend ran a campaign for the Fulford post office and delivered a petition to No. 10 Downing street. I know that he worked incredibly hard on that.

I want to say a couple of things about what local authorities can do to support the post office network. The hon. Member for Ynys Môn (Albert Owen) made a

point about that. One of my local councils in north Lincolnshire attempted two or three years ago to put into the council budget and local council policy the establishment of council terminals in every sub-post office so that residents could pay their bills and access council services and essential advice. All of that was costed and put into the budget proposals but, sadly, it was rejected by the Labour-run council, which missed a huge opportunity. I am sure there are plenty of examples around the country of missed opportunities to engage local authorities in doing what they should be doing, which is standing up for their rural areas as much as their urban areas, and supporting what we all accept is important. Everyone has fine words. They say that they support post offices, but actually doing something is a little harder sometimes.

Another point that I want to pick up on is rural broadband, where post offices could have a role. Several of my villages have no access to broadband and are unlikely to get it any time soon. I welcome the announcement about the additional funding that will be coming our way. There is the potential in some of our villages for post offices to help roll out a mobile broadband or satellite broadband network, but there must be structures in place to manage a local solution such as that. Perhaps the Government could give some consideration to it.

Jesse Norman (Hereford and South Herefordshire) (Con): Is my hon. Friend as concerned as I am about the back-door closure of post offices, which I raised in a debate last week? I am enormously grateful to the Minister for recognising the problem. He may be interested to know that, of the 2,406 audits that were done in 2009, 265 suspensions were held, and there were only two reinstatements after appeal. That very much reinforces the picture that suspensions are being used as a means of closing post offices, which I am sure we would all deprecate.

Andrew Percy: I absolutely agree. I join my hon. Friend in condemning that, and I am sure that the Minister will respond to his comments.

The additional funding is extremely welcome. In fact, it was publicised in my local paper just last weekend. I was out door-knocking this weekend in several villages, and quite a few people who had seen the article told me how grateful they are that the Government have finally committed to the post office network.

Will there be additional funding to extend outreach services where we have lost post offices? We lost several post offices, which were replaced with outreach. Unfortunately, the outreach services are often available for only two or three hours a week during the middle of the working day. For people such as myself in my village, it is utterly impossible to use those services. Perhaps we could have a bit more information on whether outreach services will benefit from the subsidy.

We all have a responsibility to support the post office network and Royal Mail in general. During my four years of campaigning, I used Royal Mail for all my deliveries—my opponent sadly did not. When we tax our cars, we can lead by example; we can use Royal Mail and support our post offices. As I said, words are easy but actions are sometimes a little harder, but we all have a role to play in our communities.

Several hon. Members *rose—*

Mr Philip Hollobone (in the Chair): Order. The previous Chairman indicated that the winding-up speeches would start at 10 past 12. Realistically, we will have time for only two more speakers, so I intend to call Gregg McClymont followed by Lorely Burt. I ask that they each speak for three minutes.

12.4 pm

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Thank you, Mr Hollobone. I shall speak even more briefly than that.

I spoke on Second Reading and have had conversations and briefings with the Minister. All politics is local, so it is understandable that we have heard a great deal today about local post office branches, in villages, in particular, they are a lifeline. However, I want to raise the broader picture and speak a little about how the Postal Services Bill is drafted.

I said in an intervention that statutory provision for post offices should be written into the Bill. At the moment, it is unclear what mutualisation actually means, but however well it proceeds we have a big problem, because 7,500 post offices do not make a profit. The two most successful mail services in the world are the German and Dutch services. In both those countries, provision for post office services is written into statute. I reiterate the point that however worthy the good intentions of the Government and Members on both sides of the House in respect of the Bill, unless we make provision in it for post office numbers, given the economics of Royal Mail and the Post Office, we are looking at significant closures down the line.

The hon. Member for Northampton South (Mr Binley) made a valid point about allowing managers to manage, but given the economics of the Royal Mail and post offices, even wonderful managers will have a difficult task protecting the 7,500 post offices that do not make a profit.

Mr Binley: Recognising that most of our small post offices are private businesses, is the hon. Gentleman willing to subsidise private businesses and, if so, to what extent?

Gregg McClymont: I am tempted to produce a line from the Leader of the Opposition: I understand that I ask the questions and the Government answer them. Does the hon. Gentleman agree that given the logic of the economics of the post office network and Royal Mail, it is difficult to see how to protect the 11,500 post offices we currently have unless we write into the Bill provision to protect them? That is the key point.

Mr Binley: There is an easy way to do that: help post offices with marketing, a proper retailing policy and a wider range of services to sell. It is all there to do, but it has not been done effectively.

Gregg McClymont: I admire the hon. Gentleman's confidence and enthusiasm. We hear a great deal—understandably—from Government Members about the Labour Government closing 5,000 post offices, but that Government's criteria meant that we have maintained 11,500 although only 4,000 are profitable. I say in all

[Gregg McClymont]

sincerity that unless we write into the Bill provision to protect the number of post offices we have now, we will see post office closures down the line, and that is something that everyone in the House would deprecate. I ask the Minister whether he will put that provision in the Bill.

My final point is about the universal service. I understand that the first universal service order that Ofcom will make as the regulator will not require parliamentary assent. When Ofcom makes its universal service order we will not be able to say that we do not accept it. That is important.

12.8 pm

Lorely Burt (Solihull) (LD): For the past 10 years, we watched the near desecration of the post office network under the Labour Government, who presided over a subsidised decline of the post office. Well, things will change radically. I very much look forward to the statement that I believe is coming tomorrow. There will be no closure programme under this Government.

Simon Danczuk: Will the hon. Lady give way?

Lorely Burt: No, I am sorry, but I have only two minutes.

There will be more services and more potential. I greatly welcome separation from the Royal Mail. It will give the Post Office much more say in its own affairs; it will no longer be a junior partner. Can we build into the Postal Services Bill provision for the Secretary of State to seek a review of the access criteria, subject to parliamentary approval? There is concern about that.

I would like to know a little more about what conditions need to be in place before mutualisation can happen.

Simon Danczuk: Will the hon. Lady give way?

Lorely Burt: No, I am sorry, but I have no time.

On funding, it is absolutely brilliant that we will have the £1.3 billion which, at last, will give the Post Office the boost that it needs. The most important thing is that it will enable the Post Office to move into the 21st century. We have already been told a little about essentials, and we are really looking forward to bringing down the barriers that have been created by previous Governments, so that we can open up the Post Office to the sort of thing that it is very capable of doing. Government work, new mail services—including local collection and drop-off—the Post Office bank, which was mentioned by Members earlier, access to all the major high street banks and benefit changes are all things that the Post Office is well equipped to do, and I look forward to my hon. Friend the Minister outlining in the statement tomorrow exactly what can be done.

12.10 pm

Nia Griffith (Llanelli) (Lab): I congratulate the hon. Member for the Cotswolds (Geoffrey Clifton-Brown) on securing the debate. It is clear from the turnout and the speeches that hon. Members on both sides of the House have high regard for the post office network.

Our post office network is much more than a network of businesses. Post offices are the lifeblood of our communities and an essential part of our social network. For many people, particularly those who do not have bank accounts or access to the internet, they are the only means of accessing services, withdrawing pensions and paying bills. We all know sub-postmasters who frequently go that extra mile, those who will notice that Mrs Jones has not turned up to collect her pension and will make discreet inquiries to see if anything is amiss.

When we were in government, we established access criteria for the first time, in recognition of the business and social importance of the post office network. The access criteria developed by the Labour Government ensured that 99% of people living in deprived urban areas, and 90% of people nationally, would be within one mile of a post office. That is extremely important, because it provides the access that some of the most vulnerable in our society need. We then put in money to keep open 11,500 post offices, whereas a purely commercial network would have been reduced to some 4,000. We put in £150 million per year up to 2011 to subsidise that network, with an increase to £180 million for 2011-12. We welcome the recent Government announcement that there will be continued support for post offices.

Anyone who runs a business knows that it is necessary to be constantly prepared to change and adapt. Post offices need to attract new customers, and offer new products to existing customers. Sub-postmasters retire and new people come in. When someone first decides to take over the running of a local post office, they need to know that their business will be viable. When sub-postmasters retire, they sometimes decide to keep the premises as their home. That means that newcomers have not only to identify premises and find the funds to start up, but also find the funds to install the counters and facilities to meet post office requirements. To make that sort of commitment they need the confidence that they can make a go of it, and absolutely fundamental to that confidence is the inter-business agreement with Royal Mail. That is why the National Federation of SubPostmasters wants the guarantee of a minimum 10-year agreement signed and sealed between Royal Mail and Post Office Ltd. Anything less would be a betrayal. It would be a death sentence hanging over all but the busiest of our post offices.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I share the hon. Lady's concern about the impact on business start-ups and business innovation. I represent a very rural constituency, and one thing that we have seen over recent years is new businesses springing up and using the internet to sell goods further afield than the isolated rural areas in which they are based. I am very concerned that the loss both of the universal service commitment and of post offices is inhibiting business growth. That will absolutely undermine existing small businesses and disincentivise new ones, not only in the post office network but in the wider rural economy.

Nia Griffith: Indeed. The hon. Lady makes reference to the important role of post offices in rural communities, but those very post offices are the ones that would be most threatened if the inter-business agreement were not in place. It is absolutely vital, as the National Federation of Sub-postmasters suggests, that we have some sort of 10-year agreement to guarantee that business.

Proceeding to privatise Royal Mail without such guarantees for Post Office Ltd would also call into question the wisdom of investing considerable sums of

taxpayers' money in a business that had no chance of being viable—a bit like redecorating flood-prone properties without shoring up the flood defences. It is not sufficient for there to be vague assurances and assumptions that somehow Royal Mail would automatically choose Post Office Ltd for its counter services. No astute business person would be satisfied with anything less than protection through written contracts and legislation. The Postal Services Bill does not provide that protection, and the Opposition will be tabling amendments that would provide Post Office Ltd with the necessary certainty that a privatised Royal Mail will continue to use the post office network for its counter services.

It is very worrying to hear the National Federation of SubPostmasters report that the Government are very resistant to its requests for the guarantee of a 10-year agreement. That is no way to treat sub-postmasters who have invested considerable sums of their own money in the local post office network, and it will certainly not encourage new entrants to take over when sub-postmasters retire. That is one area in which the Government can, and should, take action to safeguard the third of Post Office income that derives from Royal Mail.

Furthermore, one in seven rural post offices provides premises, facilities and supervision for Royal Mail delivery staff. Sub-postmasters running the 900 mail-work post offices are paid according to the number of postmen and women they supervise. That pay is frequently about 25% of the income of such post offices. They need a guarantee that the income will continue. There is no guarantee that a privatised Royal Mail, quite possibly owned by foreign interests, would honour or renew the inter-business agreement, and without determined Government action in that respect post offices will lose their core business.

In addition, we need to know what other specific proposals the Government have to increase footfall in our post office network. As I have said, all businesses need to attract new customers and identify new services that will interest their customers. One notable success story is that post offices have become major suppliers of foreign currency.

Andrew Stephenson (Pendle) (Con): The hon. Lady is setting out a fantastic case as to why the post office network is vital, so will she briefly explain why her Government closed down 7,000 branches?

Nia Griffith: I have just explained why we put in money to ensure that 7,500 branches, in addition to the 4,000 commercially viable ones, were in fact kept open. The crucial issue we all have to address, and on which we need answers from the Minister, is how to make those post offices viable so that, in the words of some of the hon. Gentleman's colleagues, the subsidy is not needed for ever and at the end of the day there is a viable business that can survive, and provide the network that we all want.

Jesse Norman *rose—*

Nia Griffith: May I finish, please?

The Labour Government undertook to develop a successor to the Post Office card account, and the contract was awarded to the Post Office. We need specific details from this Government about their vision for such accounts and how their scope could be broadened. We also prepared the way for increasing the range of banking services to be made available through local post offices. Hon. Members might remember that we instigated a consultation, and they might have encouraged their constituents to take part in that last February, and to respond to a survey about the type of banking services they would like to be able to access at their local post office. How do the Government intend to take forward that work, and what specific plans do they have to extend and promote banking services through the post office network? It is not simply a question of making services available at post offices; we cannot turn the clocks back.

In some areas, as few as 7% of women over the age of 65 in lower-income groups have regular access to the internet, but that figure rises to almost 100% among younger men on middle and high incomes, many of whom want and expect to be able to access services online. They are likely, for example, to renew their driving licences at the click of a mouse, rather than in their local post office, even when they might physically call in to the shop that houses the post office to buy snacks or drinks, or to rent a DVD.

In terms of the sub-postmasters' vision of an enhanced role for post offices as the front-line provider of an expanded range of Government services, what specific plans do the Government have to make that happen? Fine words and lofty aspirations are not enough. Even the straightforward availability of services might not in itself be sufficient. Even the plentiful good will towards post offices that exists in our communities is unlikely, on its own, to increase footfall. How exactly do the Government plan to turn that vision into a queue of real people choosing to carry out business transactions at post office counters?

Local councils can also play a role, but some councils have not always been supportive of the post office network. For example, a couple of years ago, we found hidden away in the small print on the back of council tax demands from my county council plans to cease accepting payments via the post office network. I persuaded councillors to allow representatives of local sub-postmasters to address the full council, and those plans were dropped.

To sum up, we want to hear specifics from the Minister. We want an explicit commitment to protect the inter-business agreement between Royal Mail and Post Office Ltd and to hear specific plans for increased Government use of post offices and developing more business for them. I look forward to hearing the Minister's answers.

12.20 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): The debate has been extremely good; I counted at least 26 Members present during our discussion. We heard passionate defences of the services that many of our constituents enjoy up and down our country, and I want to reply to as much of the debate as possible, although I will be making a statement in the very near future—but not tomorrow; I apologise to my hon. Friend the Member for Solihull (Lorely Burt). We will publish our policy statement soon, and I hope that hon. Members will enjoy reading it and questioning me and other Ministers as we go through the Postal Services Bill over the next few weeks and, possibly, months.

[Mr Edward Davey]

I congratulate the hon. Member for The Cotswolds (Geoffrey Clifton-Brown) on his exemplary speech. He started by praising the Government, which is always a good beginning. It would have been even better if, with a Norfolk accent, he had burst into song like the postman; nevertheless, he talked cogently about the issues in his constituency and showed what a fine constituency MP he is. He has campaigned for his constituents, particularly for the local post offices in Stratton and the Beeches, and, although they were closed, he is still campaigning and working with local sub-postmasters and councils on putting forward a report to Post Office Ltd. His remarks about the importance of outreach services and their potential were well made.

Even before the debate, the hon. Gentleman scored a major victory because he got a review for those post offices and the potential for reopening them. He is meeting Post Office Ltd management shortly, and I wish him luck. He will understand that through legislation and Government practice over time, Post Office Ltd and Royal Mail operate at arm's length, so it would be wrong for a Minister to instruct Post Office Ltd to meet his demands in detail, but he has already made a powerful case. I am sure that he will be listened to closely.

The hon. Members for Angus (Mr Weir) and for Ynys Môn (Albert Owen), among others, raised our plans for mutualisation. There is a little confusion, so I am grateful for the opportunity to put it right. The proposals in the Bill focus on Post Office Ltd—the national organisation that holds everything from the intellectual property, to the brand, the contracts, the discipline codes and so on. We are proposing that it could become a mutualised organisation in due course, if the network became more financially viable through our other plans. Let us be clear: that would mean an organisation that could be owned and run by sub-postmasters, post office employees and communities.

How are we approaching that? Because we need a number of years for our policies to take effect, it will be some time before we can be sure that the post office network is completely viable, but I hope that in the lifetime of this Parliament we can move towards mutualisation. We want a real debate, so I welcome the contributions that we have had. We have already had a pamphlet from Mutuo discussing the possibilities of mutualisation. The Government have asked Co-operatives UK to consult widely, not only within post offices, but in the co-operative movement and other mutualised organisations with expertise in the area. We asked it to do that because Government do not run co-operative and mutual organisations. This is not about Government imposing a structure; if the process is to be successful, it must be organic, which is why we are keen for the first big consultation on it to be led from outside Government.

Of course, Government must take responsibility, and once we have had the response to the Co-operatives UK-led consultation, we will hold a national consultation, which I expect to start some time after the Postal Services Bill receives Royal Assent. Members of the wider public can then be involved in the consultation. That will prepare the ground and the details, so when we have a financially viable post office network, or a network that is on train to becoming financially viable, the mutualisation option will become real. That is not to say that individual post offices cannot be mutualised.

As hon. Members know, individual post offices are often single, sub-postmaster-run, privately owned businesses. Some are chains run by different agents—such as WH Smith—and some already operate on a mutual basis, either as community mutuals, and we have heard examples of those, or through mutual organisations such as Co-operatives UK. Mutualisation already exists locally, and I think that more than 1,000 post offices are already run in that way. We are talking about mutualising the national organisation, which will improve the incentive structure by aligning the incentives for local sub-postmasters at community level with the incentives of the national organisation.

I hope that is a full answer. I am grateful for the opportunity to put it on record.

Albert Owen: There is a social enterprise in my constituency. That would be straightforward—a mutual could work with a mutual—but how would a private business that is investing retain its assets? Would that company have to go mutual to have a relationship with Post Office Ltd in its new form?

Mr Davey: No, it would remain a private organisation, but it would have a share in the mutual organisation, which would give it contracts and so on. In no way would we take assets from individual private entrepreneurs who have set up post offices and run them for years. That would be wrong.

Geoffrey Clifton-Brown: In the little time that the Minister has left, will he concentrate on how the £1.34 billion investment will be put into the Post Office network to strengthen branches? Will he give us a flavour of how many branches he envisages the post office having? I have been through the bruising process of losing 12 post offices. Having heard from hon. Members around the Chamber this morning what a terrible problem there is when a post office closes, what is his vision for the future and the number of branches?

Mr Davey: I will disappoint my hon. Friend because to answer him would be getting ahead of the statement that we have to make. It will deal with how we want to spend the £1.34 billion and the detailed business case that Post Office Ltd developed. It was not done on the back of a fag packet, as the hon. Member for Linlithgow and East Falkirk (Michael Connarty) said. Given the amount of detail in the business plan for spending the £1.34 billion, it would have to be a very large fag packet. In the statement, we will also flesh out our vision for the future of the post office network.

I shall try to deal with some of the points made in the debate. The hon. Member for Linlithgow and East Falkirk was incredibly critical of the Government. He failed to point out that five post offices in his constituency closed during the previous Government's closure programmes. If he had done that, we might have listened to him with a little more attention. He and the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Gregg McClymont) commented on the need to write into legislation the number of post offices there must be in Great Britain. I looked at the Postal Services

Act 2000 and the previous Government's 2009 Postal Services Bill, to see what their proposals were. Do you know what, Mr Hollobone? The previous Government made no such proposals at all. No sensible Government would tie down private business in knots of legislation, and we should remember that private businesses run 97% of post offices. Frankly, that sort of approach goes back to old socialist regulation and is not how to modernise the post office network and make it more commercially viable.

Nia Griffith: The Minister must realise that clause 3 of our Bill said that the organisation would be publicly owned. That is the difference. If Royal Mail is in majority public ownership, a great deal more can be done to control those details than if the entire business were sold into private—possibly foreign—hands. That is the key difference between our proposals and those in the current Postal Services Bill. I hope that the Minister can answer the sub-postmasters and sub-mistresses who are worried about the viability of their businesses because they cannot see an agreement in the legislation.

Mr Davey: Again, the hon. Lady shows that her party does not understand business and certainly does not understand the post office network. The previous Government did not write the inter-business agreement between Royal Mail and Post Office Ltd, and nor should they have; it was an agreement between two separate organisations.

Mr Philip Hollobone (in the Chair): Order. That was an enjoyable debate. I ask all those who were taking part to leave quickly and quietly. We are now moving on to a debate on the education maintenance allowance.

Education Maintenance Allowance

12.30 pm

John Robertson (Glasgow North West) (Lab): This is my first opportunity to speak under your chairmanship, Mr Hollobone. I look forward to it and wish you well on the Panel of Chairs. I am grateful to have secured this debate, and for the opportunity to exchange views with the Minister. I look forward to hearing his opinions on the wider issues that I shall raise.

I would like to discuss the education maintenance allowance and the effect that axing the scheme will have on those young people and families who rely on it. Even though I am a Scottish MP, and the EMA was first attacked by the tartan Tories—the SNP—I fight for the rights of young people as a UK MP.

During the previous Parliament, I secured an Adjournment debate on 2 February this year. If hon. Members want a good example of the differences between the previous Government and the current Government, they should look at the policy on the EMA. Last time I spoke, the then Minister, my hon. Friend the Member for Hartlepool (Mr Wright), committed the Labour Government to maintaining the EMA in its current form until 2011 and beyond. Many of the young people who contacted me following that debate with their support and thanks will feel disappointed by politics and by having their fears and hopes raised and then crushed in a matter of months. Let there be no mistake—that is what happened.

I will give an example from the campaign that I support. Since the announcement to abolish the EMA was made in the comprehensive spending review, many young people have posted comments on the website saveema.co.uk. I was struck by comments such as this one from Nick:

> "Without EMA I wouldn't be able to go to college and become what I have always dreamed of being."

Alex said:

> "I need EMA otherwise I will have no education. In other words... no future."

It is obvious from comments left on the website that the families of pupils who receive the EMA will also suffer. Ms Robson states:

> "I am a single parent and work 37 hours a week and have 3 children of whom two of those attend sixth-form college. They both receive £30 EMA and it helps them buy books and helps with their bus fares. Without that, I don't think I would be able to give them the money for bus fares, books etc. Please don't scrap it, it is a great help for me."

Alex Cunningham (Stockton North) (Lab): Does my hon. Friend agree that there will be tens of thousands of students across the country from low-income families who will be anxious about their future chances of going to college aged 16 if no allowance is forthcoming? Worse still, they will find themselves seeking work without the benefit of the future jobs fund, which has also been axed by the Government.

John Robertson: My hon. Friend is absolutely right, and I will go on to talk about such people in detail. In my speech, I will refute the Government's reasoning for scrapping the scheme, and shed light on the path they have taken to arrive at their position. Let me give a brief

[John Robertson]

explanation for those in the Chamber who may be unaware of the EMA and why it is such an essential part of further educational support.

The EMA is a means-tested allowance of £10, £20 or £30. It is paid to 16 to 19-year-olds who stay in education and come from families where the annual household income is below £30,810. The top rate of EMA payment is £30, which requires the student to come from a family where household income is below £20,810. Some 80% of all recipients are on that top rate of £30.

The EMA was introduced nationally in September 2004 in order to reduce the country's post-16 drop-out rate, which was one of the worst in the developed world at that time. The policy intent of the EMA is to broaden participation and improve the retention and attainment of young people aged 16 to 19 in post-compulsory education. The EMA is already strictly means-tested, so tightening the eligibility criteria further will only harm already disadvantaged young people. The scheme is close to my heart because it is based on providing a platform for poor families so that economic barriers will no longer stand in their way to getting an education and getting on in life.

I expect the Minister to say that the EMA is not being axed but rather "replaced." However, if we turn to page 42 of the comprehensive spending review, we see that the so-called "saving" from replacing EMA is £500 million from a £550 million budget. It is not necessary to be Einstein or to have a university degree to realise that removing 90% of the budget of any scheme means effectively axing it, or severely undermining its implementation. I say to the Minister: do not insult my intelligence or that of our young people, and be honest.

The Government will tell us that there is a dead weight to the scheme and that according to a poll, only 10% of people say that they need the EMA. However, that argument barely stands up to closer examination. First, that was the only research on which the Government based their decision, despite the weight of widely available evidence showing that the EMA works. One example of how bad that research was is the fact that the Government poll was carried out on school pupils instead of college students. As we know, those still in school are in receipt of free school meals and free travel, as well as a uniform allowance and the full measures afforded to school pupils. In contrast, the National Union of Students conducted a poll this year looking at actual recipients of the EMA in college. Almost 60% of those students said that they would not be able to continue in education without the EMA.

Let us take the Minister's argument to its natural conclusion. His research suggests that 10% of students would be affected, which equates to over 60,000 of the poorest teenagers in this country—the sort of numbers mentioned by my hon. Friend the Member for Stockton North (Alex Cunningham). Does the Minister feel that that is a price worth paying?

For a long time, many supporters of the Conservative party have argued that the scheme is a waste of money and that the allowance is misspent by those receiving it. Before last week, the Conservative party, the Secretary of State for Education and the Prime Minister all said that they would support the EMA. In March, the Secretary of State told *The Guardian*:

"Ed Balls keeps saying that we are committed to scrapping the EMA. I have never said this. We won't."

It is not only the Secretary of State who has said one thing in opposition and another in government. In January this year, the Prime Minster, then leader of Her Majesty's Opposition, told the Save EMA campaign in an ironically named "Cameron Direct" event in Hammersmith that he supported the EMA. That was after he had refused to give a straight answer on the EMA in an interview with Sky in 2007, so I was pleased to hear that he had seen the light and was supporting the EMA.

A couple of weeks ago, however, we had the announcement on page 42 of the CSR about axing the EMA. It is safe to say that the Prime Minister's support did not last long. I hope for the Minister's sake that the Prime Minster does not offer the same level of support for him as he did for the EMA, or the Minister will be out of a job by Easter—then again, perhaps I do hope that.

On a serious note, I do not ignore the fact that there may have been some fraudulent claims, just as there are those who claim other benefits fraudulently or who avoid paying tax by using offshore bank accounts. I despise fraud whether it is by Tory grandees or benefit scroungers. However, if EMA fraud follows the levels of other benefit fraud, we are looking at a meagre 1%. It seems draconian to axe an entire scheme because of the actions of such a minority; it is tantamount to cutting off the head to cure a cold.

I hope that the Minister does not try to link the end of the scheme with the deficit, because that would show a lack of economic competence on his part. First, if he is telling me that taking money out of the pockets of the poorest teenagers in the country is our salvation, we are beyond redemption. Secondly, it makes very bad long-term economic sense to do that, because according to the Treasury, by 2020 the number of unskilled jobs will be half what it is today, meaning that more unskilled people will be fighting for even fewer jobs. I would be interested to know whether the Minister denies that.

Lastly, we need more people in employment. With rising youth unemployment, the decision we are discussing will swell an area that does not need increasing any further. What is more, as the Directgov website page for EMA clearly points out, for every extra skill and qualification that someone earns, they are £3,000 a year better off. Research by the Office for National Statistics shows that people without the minimum set of qualifications earn on average £55 a week less. I am sure the Minister will agree with me that paying people £30 a week in the short term so they can earn £55 a week more in the long term will help us not only to upskill our work force, but to pay down the deficit faster.

A 2009 survey by the Chartered Institute of Personnel and Development found that only 17% of employers were planning to recruit from the pool of 16-year-olds leaving school, and that only one third of employers planned to recruit those leaving school at 18. We know that being unemployed for more than 12 months under the age of 23 has a hugely negative impact on a person's future, causing a permanent scar of disadvantage. Those who have experienced long periods of unemployment in their youth will suffer sizeable wage penalties well into their 40s.

There has been talk that the Government plan to budget for EMA at local authority level. That concerns me greatly. With no ring-fencing of council spend, how will that be achieved?

The best thing about EMA is that it ensures parity of payments throughout the country. Let us take, for example, someone under 18 who is a care leaver. As payments controlled by local authority children's or leaving care services vary, young care leavers could fall victim to a postcode lottery of support. A care leaver living in Croydon in south London, where almost 5,000 young people are on EMA, could receive less than someone in Richmond upon Thames, which is only a bus ride away but has only 900 young people on EMA, as there is less demand locally and it has a bigger budget to go round.

The evidence speaks for itself on why we should save EMA. Research by the Institute for Fiscal Studies shows that attainment at GCSE and A-level by EMA recipients has risen by 40% since its introduction, and by even more for those living in the most deprived neighbourhoods.

In addition, RCU market research services carried out research on the national scheme and published in 2007 a report called "Evaluation of the EMA National Roll-out", which concluded:

"EMA has had a positive impact on the retention, achievement and success of certain groups of learners…traditionally associated with lower levels of achievement".

Andrew Stephenson (Pendle) (Con): I thank the hon. Gentleman for securing this important debate. As a Conservative, I am a fan of EMA; 65% of students in my constituency going to Nelson and Colne college receive EMA. The Government are not scrapping EMA; they are simply replacing it with more targeted support. Surely that is a sensible and credible step in clearing up the worst public sector deficit in the G20, which was bequeathed to them by the hon. Gentleman's party.

John Robertson: I did not see, but the hon. Gentleman must have come into the Chamber late, because he obviously has not listened to my speech and has not read the CSR. I point him to page 42 of that document; he obviously was not listening.

Andrew Stephenson: I've been here for two hours.

John Robertson: If the hon. Gentleman was here, how sad.

As we can see, the scheme is widely recognised by independent authorities as a success, and the arguments by those opposed to the scheme are easily silenced.

The Minister will be aware that the EMA scheme is devolved and each Administration have their own policy responsibility for EMA. The Scottish National party Administration in Scotland have been as inconsiderate as this one when it comes to protecting students from low-income families during the recession. They cut the £10 and £20 payment scheme and lowered the threshold for the top rate of £30 to below £19,000, despite warnings from NUS Scotland that that could lead to about 8,000 students dropping out this year alone. This year, EMA for my constituency of Glasgow North West has been cut by 20%.

However, figures released by the Scottish Government last year show that the old system, developed under Labour, was successful. The figures showed an increase in uptake on previous years and that the allowance helped school pupils from low-income families to stay on in education, just as it was planned to do.

I know that the Minister has no responsibility for the administration of EMA in Scotland, but I use that as an example of what will happen if support is removed from students on EMA. That view is supported by the National Union of Students for Scotland, as well as by many education experts and independent think-tanks.

The Minister should also take into consideration those living independently at an early age, who may need particular support. Lack of access to financial support may be one of the main barriers to participation in education. There are some key barriers: course fees; travel expenses; the cost of food and other essential items; costs associated with the course or placement, such as equipment; and a lack of comprehensive advice and guidance for young people on their entitlement to benefits.

For example, a young person aged from 16 to 18 is far more likely to be independent of their family than younger students, and as such to require more support to enable them to participate in learning. For those living with families on a low income, the overall impact on the family finances should be considered. In some instances, young people have been discouraged from taking part in education. Economic barriers should not be part of someone's choice about whether to stay on in education.

Julie Hilling (Bolton West) (Lab): Does my hon. Friend agree that, particularly in communities where education is not highly valued, the EMA has played a fantastic role in allowing young people to make for themselves the decision to stay on in education? That is particularly the case for girls and young women, whose families often see no purpose in their girls continuing in education. The EMA has played a very valuable role in ensuring that those young people can stay on in education.

John Robertson: I thank my hon. Friend for her intervention. She is absolutely right. That is why I have tried on several occasions to secure a Westminster Hall debate on this subject. We must raise the issue of the plight of people who need extra help in education. At the end of the day, education is the doorway to their future. If we take EMA away from them and do not give them that opportunity, we are destined to repeat the class system of history, and I do not want that.

I shall put to the Minister one of the comments on the Save EMA website. Cassie Campbell says:

"I need EMA. My mum is on benefits and I am a full-time student at college. Without EMA I can't go to college. I will have to drop out and I don't want to do that."

In conclusion, I have to ask the following questions. Does the Minister agree with me that because of the importance of EMA to students from low-income families, it should be supported beyond 2011? What will replace EMA and how can we ensure that it reaches the young people who need it, no matter where they live? What assessment have the Government made of the cumulative impact of cuts on young people aged 16 to 25? How many students have the Government estimated will no longer be able to afford to continue studying under their plans to administer student support with 90% less funding? How does the Minister believe that young people should

[John Robertson]

fund their transport to and from college once EMA has been abolished and local authorities have withdrawn subsidised travel passes? Considering the number of students, particularly those from a wider range of backgrounds, who have EMA to thank for their being at university today, have the Government given up on widening participation in higher education altogether?

People put honesty, loyalty and trust at the top of their agenda. The Secretary of State and the Prime Minister have failed those tests. I look forward to hearing from the Minister and seeing whether he, too, fails those tests.

12.49 pm

The Minister of State, Department for Education (Mr Nick Gibb): May I start by congratulating the hon. Member for Glasgow North West (John Robertson) on securing the debate? I know that he is passionate about the issue—as he said in his opening remarks, education maintenance allowances are close to his heart.

I share the hon. Gentleman's desire to see more young people, from lower income households in particular, staying on in education and gaining the qualifications they need to contribute to and enjoy the culture of our country and to obtain good employment. I assure the hon. Gentleman that one of the main priorities for the Government is to ensure that our education system is on a par with the best in the world. We want our schools and colleges to prepare their students for success. We will continue to provide support for the most vulnerable young people, so that they can stay on in education.

I acknowledge that the evidence from the EMA pilots shows that the EMA was successful in its early days at encouraging young people to stay on in education. The decision to end the scheme will be disappointing to many young people, in particular to those from the website whom the hon. Gentleman cited in his opening remarks: Nick; Alex, who said that without it he would have "no education" and "no future"; and Cassie Campbell, whom he cited towards the end of his speech and who said that without the EMA she would have to drop out. I will come to that point later in my comments, when I say that they will not have to drop out of education as a consequence of this decision.

We are, today, in a different world. Already, 96% of 16-year-olds and 94% of 17-year-olds participate in education, employment or training. Attitudes to staying on in education post-16 have changed. We are committed to going further still, to full participation for all young people up to the age of 18 by 2015. However, a payment designed as an incentive to stay on is no longer the right way to ensure that those facing real financial barriers to continuing their education get the support that they need. We need to look again at the most effective way of supporting the most vulnerable young people to stay on in education.

Nic Dakin (Scunthorpe) (Lab): As the Minister might well know, I was the principal of a sixth-form college until fairly recently. I can say from personal experience that the EMA has supported widening participation, the raising of aspiration and greater attainment among young people from a wide range of backgrounds. The EMA has certainly underpinned those developments—it is not an incentive, but an underpinning of continuing in further education. The Minister would be foolish to move away from his statements of only June this year, when he gave assurances that EMAs would continue into the future.

Mr Gibb: I take the hon. Gentleman's point. There is evidence that EMAs have helped a small number of young people to stay on in education. However, that same evidence suggests that the scheme has a significant deadweight cost. Indeed, pilot evidence throughout the scheme, and more recent research, to which the hon. Member for Glasgow North West referred, from the National Foundation for Educational Research, found that almost 90% of young people receiving the EMA believed that they would still have participated in the courses they were doing if they had not received it.

The fact is, the EMA is a hugely expensive programme, costing more than £560 million a year, with costs of administration amounting to £36 million, but impacting on the participation of only around 10% of the young people who receive support. In effect, the taxpayer has been paying £9,300 for every extra young person who has stayed in education due to EMA. Most of the young people who receive the EMA would have made the same choices and achieved the same qualifications without it.

Simon Danczuk (Rochdale) (Lab): The research quoted by the Minister has been questioned by other research, some of which has shown that the EMA has increased participation. My point is that it is not just about either/or, and whether the children or youngsters go into education, but it is about supplementing poorer families' incomes so that they are encouraged to stay in education. It is not whether they go into it, it is helping them a little—with some cash—so that they stay in education.

Mr Gibb: Again, I shall come to that point in just a moment.

The hon. Member for Glasgow North West talked about how successful the EMA has been. I have acknowledged some important positive impacts, but it is also important to look at where the EMA has been less successful. That will help us to develop something that is fairer, more responsive to individual need and more efficiently targeted. Many young people and their parents think that the EMA is unfair and have told me that many people who receive it do not need it, and that some who do need it—the point made by the hon. Gentleman—are not able to claim it.

Andrew Percy (Brigg and Goole) (Con): The young people in north Lincolnshire certainly needed all the support that they could get when the Labour council put their bus passes up by 500%. It is important that we target support in the right area.

I used to teach in a private school—only for a short period—where there were parents who were paying fees but whose children were still accessing the EMA. I am a big supporter of the EMA and of support for young people, but it is important that that support goes to the people who most need it, rather than through the somewhat scattergun approach we have seen.

Mr Gibb: I am grateful to my hon. Friend for that intervention. I know that some people have seen the EMA as an additional welfare benefit—the point made by the hon. Member for Rochdale (Simon Danczuk)—but it is important to clarify that the EMA has never been a support benefit. It was introduced by the previous Government to incentivise young people to stay in post-compulsory education. It has always been paid in addition to welfare payments. The Government have protected support for families with the lowest incomes and we will continue to support the most vulnerable while ensuring that all sections of society that are able to contribute to the deficit reduction do so. The withdrawal of child benefit from higher rate taxpayers, which will save £2.5 billion a year by the end of the review period, will ensure that people on lower incomes are not subsidising those who are better off.

Heidi Alexander (Lewisham East) (Lab): Will the Minister give way?

Mr Gibb: I will not give way to the hon. Lady, because I am running out of time and I want to get to this point: child benefit for families without a higher rate taxpayer will be maintained and will be paid for children up to the age of 19 if they are in full-time education. The Government will use some of the savings from child benefit to help fund significant, above-indexation increases in child tax credit, which will be worth something like £30 in 2011-12 and £50 in 2012-13. That is in addition to the increases announced in the Budget: £150 in a year for 2011-12 and £60 in 2012-13.

I can also assure the hon. Member for Glasgow North West that none of us wants any young person to drop out of education because of financial difficulty. However, we cannot justify continuing to fund a programme that is so expensive, unresponsive and poorly targeted. Instead, we will introduce an enhanced discretionary learner support fund.

Currently, £25 million a year is given to schools, colleges and training providers through a discretionary learner support fund, to enable small payments to young people to help them meet the cost of their education. Colleges value the fund, because they are able to provide support to the young people whom they consider to be in most need. They can also respond to any changes that there might be in a student's household income during the year. After the EMA is abolished, the fund will be significantly increased over the spending review period. The detail of the future arrangements is still being considered, but we envisage that the enhanced learner support fund will build on the principles of the current scheme to provide exceptional targeted support to students aged 16 to 18 who are experiencing financial difficulties.

Jason McCartney (Colne Valley) (Con): I thank the Minister for saying that. Students in my patch who go to Greenhead and Kirklees colleges will welcome those announcements that the help will be more targeted. Some of the scaremongering around the EMA can now hopefully be put to one side, and I am pleased to hear that it is all about targeting the help on the students who really need it. I thank the Minister for clarifying that.

Mr Gibb: I am grateful to my hon. Friend for that intervention, because he encapsulated in one intervention everything that I have been saying for the past 10 minutes.

In conclusion, I ask the hon. Member for Glasgow North West to bear in mind the economic background to our decision to remove the EMA. In today's economic climate, with a budget deficit of £155 billion, the highest of any G20 country, we have a particular duty to ensure that we continue to spend where spending is needed and to get the best possible value for taxpayers' money. We cannot justify spending more than £556 million a year on an allowance 96% of the recipients of which would have stayed on in education even if they had not received it.

We will, of course, continue to support the most vulnerable and to provide help to those who need it. That is why all schools with children from poorer backgrounds will benefit from the pupil premium. That is why we plan to increase and enhance the discretionary learner support fund once the EMA is abolished.

The Government believe that we should trust the professionals working with young people to make the right decisions. Student support officers in schools and colleges are better able to identify those students who need support.

Mr Philip Hollobone (in the Chair): Order. We must move on to the next debate.

National Express East Anglia

1 pm

Priti Patel (Witham) (Con): It is a genuine delight to serve under your chairmanship, Mr Hollobone. I am grateful to Mr Speaker for granting me the opportunity to raise in Westminster Hall the issue of the performance of National Express East Anglia, which operates the Greater Anglia franchise. The issue really affects my constituents, so I welcome the Minister, who will listen to the concerns I raise. She has been incredibly helpful on issues relating to the commuters and the local rail service in my area, and she has heard about some of the quality-of-service issues I have had to raise previously.

By way of background, I should say that my constituency has four rail stations on the great eastern main line, which very much parallels the A12 through my constituency. The main stations, from west to east, are Hatfield Peverel, Witham, Kelvedon and Marks Tey. Marks Tey may be familiar to some Members, because it is at the junction with the Sudbury line, which crosses into Suffolk. There was a serious derailment there in August when a train collided with a sewage tanker. Witham is at the junction of the Witham to Braintree branch line. These are incredibly busy junctions, and total annual passenger usage for the four stations is close to 4 million.

The great eastern main line is a busy line. A lot of commuters travel to London, which takes under an hour, given London's accessibility. As a result of its close proximity to London, my constituency has boomed, and that is also true of its housing developments. My constituency is very attractive for professionals working in London, particularly in the City and in Docklands.

Given the high fares that they pay, local commuters genuinely expect a good-quality service on their journeys and a good overall commuter experience. Let's face it, a commuter paying a lot of money each day will want a reasonably pleasant journey. On that point, I should pay tribute to the Braintree and Witham rail users group and the Kelvedon rail users group, and I know that my hon. Friend the Member for Braintree (Mr Newmark) would want to do so, too. Over the years, both groups have relentlessly fought on behalf of rail users on issues such as poor-quality train stations, the lack of ticket office staff, overcrowding, access to train stations and fares, which are going up constantly.

I want to draw a number of issues to the Minister's attention. They relate predominantly to the Marks Tey train station and the new timetable that comes in from December, as well as to customer satisfaction levels and performance across the board, which I have touched on.

On customer satisfaction, a recent study highlighted the poor record of National Express in running train services in a reliable and punctual manner. Only 62% of National Express East Anglia passengers arrive in London on time and just 48% of those travelling from London arrive on time. The Minister will be aware that National Express has the second lowest customer satisfaction levels of any train operator in the country. The number of complaints it receives has soared, while the number of answers it supplies within 20 working days continues to fall. I get complaints from constituents about that. The situation is unacceptable, and constituents and commuters who use these services deserve better.

These matters need to be addressed, and I would welcome some reassurance from the Minister that many of them will be raised as and when the discussions on the franchising arrangements take place. Frankly, if National Express cannot provide the service that my constituents expect, local people would obviously welcome a new operator taking over. I am grateful to the Minister for agreeing to meet later this month with one of my constituents, the chairman of the Kelvedon rail users group, Mr Mark Leslie, who has many issues to raise.

On poor performance, I have touched on satisfaction and punctuality, and I want now to move on to Marks Tey station. The Minister is well versed in what has happened and she is already aware of the appalling way in which National Express has handled the £2.4 million of taxpayers' money that has been spent through the national station improvement programme. Network Rail described the development as a "programme of investment" that

"will give passengers what they want".

Despite the promises of new facilities, however, there is a major issue.

One gentleman, local business man entrepreneur Mr Nigel Clark, who runs his business out of Marks Tey station, has been treated very badly during planning for the redevelopment of the station. He has been a stalwart of passengers at the station. Every day over the past decade, in all weather conditions, he has served commuters their morning coffees and newspapers from a stall on the platform. Since the plans were put together, however, he has effectively been made homeless.

Andrew Percy (Brigg and Goole) (Con): I congratulate my hon. Friend on securing the debate. Although few people in Brigg and Goole probably use the National Express East Anglia route, the quality of our stations is important. Some train operating companies have told me that if franchises lasted longer, companies could plan investment in stations much more and possibly increase it much more. Perhaps the Minister can address that when she responds.

Priti Patel: That is a timely intervention. The development at Mark Tey station has come together quickly, and there was no local consultation. I presented the Minister with a petition bearing the signatures of more than 700 local commuters who were very distressed that Mr Clark's service is being taken away from the station, but National Express completely ignored their views and those of Mr Clark. Planning and timing are important; as I said, however, the development has come together very quickly in Marks Tey. The frustrating aspect of the plans is that they made provision only for a "retail outlet" in the ticket office. That would then be offered to Mr Clark. I say retail outlet in inverted commas, because Mr Clark's business is a stall.

The only reason why National Express was willing to take any representations on board was that I and my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) made persistent representations to secure Mr Clark's business in some shape or form. The Minister may be interested to hear that I have had a letter from National Express today saying that it has had positive engagement with Mr Clark, will take the dialogue on

board and will secure a facility for him. Alas, I have also heard today from Mr Clark. He was told that he would have a new stand, but it was too small and inadequate to function on the platform, so it has been removed and put in the car park. Mr Clark is losing business because nobody comes through the car park in the morning to buy coffee and newspapers. Mr Clark needs to be on the station platform.

The poor performance of National Express really is in another realm. There has been no full consultation. Local passengers have been ignored. Mr Clark has been treated appallingly. The premise that National Express used in the consultation was based on some kind of national passenger survey results from Passenger Focus, which, for the record, is a quango receiving £7 million of public money. Given that we are spending vast sums of public money and that our policy is very much about localism and giving people the chance to have a say—that brings in issues of accountability and transparency in public spending—we should have had much more accountability and engagement.

I ask the Minister to review in full the details of the way in which National Express has performed in relation to Marks Tey. I would very much like a response from Passenger Focus. I wrote to the chief executive two months ago, but I have yet to receive a response about the background to the dialogue that has gone on. I have asked for the full evidence base for the decisions that have been taken. I would be grateful if the Minister informed me when all the contracts for the project were signed. It seems to have come together very quickly. I would welcome a reassurance that she will look again at Mr Clark's situation and see whether there is any way to guarantee his future.

Another example of poor performance by National Express is in the consultation of commuters about timetable changes. Following the comprehensive spending review and the introduction of the retail price index plus 3% fare formula, commuters will pay significantly more for their tickets. Yet commuters using Kelvedon, who currently pay more than £3,500 for their season tickets, will lose a service in the new timetable, from December. The 18.38 from Liverpool Street will no longer stop there. That is more than inconvenient for hard-pressed commuters, who want to get home to be with their families, because the next train is not until 19.08. One of my constituents who contacted National Express was told that no alterations would be considered, and despite a request for an explanation for the changes, none has been forthcoming. Likewise, the 6.27 service from Witham to London will be lost. In both cases, commuters feel they will simply be paying more money for a reduced service. I trust that the Minister will help my constituents to obtain the explanations from National Express that have been denied them.

I know the Minister is considering and reviewing the franchising process, and that the Greater Anglia franchise is likely to be the first to be put out to tender, under new arrangements. I hope the Minister will take seriously many of the points I have made, and the views of my constituents—she will meet the Kelvedon rail user group later in the month—and reflect on them as part of the franchise review and the Greater Anglia tendering process. I welcome her attention and thank her for coming to the debate.

1.13 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): I join my hon. Friend the Member for Witham (Priti Patel) in saying that it is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate her on securing the debate and on presenting her case with such energy and tenacity. It gives us a useful opportunity to consider the performance of rail services on the East Anglia franchise. I pay tribute to the energetic campaign she has run to champion the interests of her commuting constituents.

I want first to outline some of the Government's broader plans for reform of the railways, because they may help to address a number of the issues that have been raised today. Secondly, I will focus on my hon. Friend's concerns about the works under way at Marks Tey station, and Mr Clark's retailing stand. Thirdly, I will consider the general performance of National Express East Anglia, and fourthly, I will attend to my hon. Friend's points about the new timetable

Just a few months ago I announced that the NXEA franchise would be extended by a little over six months. I chose to exercise the Government's contractual right to do that to allow the outcome of our consultation on rail franchising to be taken on board in the letting of the new franchise. That extension will also enable the interim conclusions of the McNulty study on rail value for money to inform our decisions on the future of rail services in East Anglia. Of course, I urge my hon. Friend to make her views about current services known when the re-let takes place. The record of all the bidders for the potential new franchise will be taken into account in assessing their suitability to take it on.

The Government believe that we need to reform the railways to ensure they deliver better value for money. My hon. Friend emphasised that concern. Unless we get costs down, we will not be able to bring about the improvements to services and capacity that passengers want, so we are committed to reforming Network Rail. When Labour established the company, it failed to put in place sufficiently robust accountability mechanisms to ensure that Network Rail would deliver value for money and high-quality performance at the level needed for a modern and successful railway. We need to tackle that accountability gap, and to get the people running our tracks and trains working more efficiently and cohesively together. We also need to modernise the franchising system. We propose to move to longer franchises to give the private sector the certainty it needs to help us deliver vital improvements, such as better services and stations. They should also help us in providing better rolling stock, which I know is a serious concern for my hon. Friend and many of her constituents.

The reforms are aimed at moving away from a system in which Whitehall specifies detailed and prescriptive inputs into franchises. Instead, we want a stronger focus on the quality of outcomes for passengers, giving more flexibility to the professionals who run our railways to apply innovation and enterprise in working out the best way to deliver those outcomes. Let me assure the House that the outcomes we set will be demanding for the franchise my hon. Friend is concerned about and for all the rest for which we have responsibility. Operators who do not comply with franchise requirements will face sanctions, including termination of the franchise in the most serious cases. I expect our reform plans for Network

[Mrs Theresa Villiers]

Rail and franchising to get the two sides of the rail industry working more cohesively together, and to ensure that they are more responsive to passenger needs. I therefore believe they will help to address a range of the issues raised by my hon. Friend this afternoon.

As to the national station improvement programme and the works that are under way at Marks Tey, a budget of £150 million has been allocated to the programme to improve the passenger environment at about 150 medium-sized stations in the current railway control period. The improvement scheme at Marks Tey station includes the provision of a modern ticket office building and booking hall area, and a small retailing opportunity. We hope that the project will give passengers protection from the weather, which they currently lack. It will also improve staff accommodation, which is apparently in such disrepair that the station office suffers from repeated flooding. The London-bound platform will be widened to improve circulation for passengers. New waiting shelters will also be installed on that platform. The station forecourt will be redesigned to provide a passenger pick-up and drop-off area and improvements to cycle and motorbike parking.

My hon. Friend is concerned that the work under way is not the best way to deploy taxpayers' money. Decisions on how to deploy the budget were devolved to the rail industry, but they are overseen by an NSIP project delivery board and ultimately by the rail regulator, to ensure that proper checks are kept on the way in which the rail industry spends taxpayers' money. I am informed that national passenger survey scores were taken into account in deciding which stations were most in need of improvement, but in addition—I know my hon. Friend is a little sceptical about their value—comments from local stakeholders were taken on board. I understand that with respect to Marks Tey, a value-for-money assessment was carried out by Network Rail and NXEA. NXEA consulted a range of stakeholders, including some local rail user groups and station tenants, local authorities, rail staff and Passenger Focus. It is unfortunate that the train operator's customer surgeries at Marks Tey took place only fairly late in the day, after most of the key decisions had been made about the shape of the upgrade programme. I understand my hon. Friend's concerns about that, but I have received some assurance that customer feedback from an earlier point was taken on board in putting together the improvement proposals. Clearly it would have been preferable if NXEA had carried out those customer surgeries earlier.

Priti Patel: I would welcome an assurance that for future developments of this nature, there will be greater transparency in the consultation and dialogue with communities. It is all well and good receiving a survey and ticking a box, but there is the question of understanding the intricacies of planning and the impact on the community and businesses. That should be taken into consideration.

Mrs Villiers: I do not think it would appropriate for us to mandate a model for consultation, but across the board we encourage train operators to engage extensively with passengers and local stakeholders on decisions of this kind, and a range of other issues that are important for commuters.

National Express has advised my officials that passengers have commented on the queues and congestion caused by there being only one poorly positioned ticket window at Marks Tey. Passengers interchanging between the main line and Sudbury have also complained about the state of the toilets and the waiting shelters on platforms 3 and 4. However, it seems that improvement works at Marks Tey are designed to relieve those conditions.

The key issue for my hon. Friend today is the future of Nigel Clark's newspaper and coffee retailing business. My hon. Friend has fought a robust campaign to secure the future of Mr Clark's news stand and the service it provides to her commuting constituents. If I remember correctly, I prepared a briefing for the Prime Minister on the subject, so I know that my hon. Friend has taken the matter to the top; I am impressed by her determination. However, my answer must be the same as that which I gave in correspondence.

It is not for me, the Minister responsible for rail, or for the Department for Transport to dictate how train operators should structure retail opportunities at their stations. However, my hon. Friend knows that I have passed her concerns to NXEA, along with the petition that she delivered to me on the subject. She has put her concerns on the record, and fought a good campaign. It is for National Express and Mr Clark to resolve matters, no doubt assisted by my hon. Friend's robust intervention. I understand that a six-month lease for a temporary unit has been agreed, although my hon. Friend has expressed some concern about its location. I hope that a longer term solution will be found in due course. I know that Mr Clark and others will have the chance to submit proposals for use of a new and permanent retail unit should they wish to do so. I hope that the matter will be resolved, and I urge both sides to find a satisfactory outcome.

I turn to the overall performance of NXEA. The latest period for which complete performance data are available shows that 90.9% of NXEA trains arrived on time. That is according to the moving annual average. However, those figures are aggregated across a diverse franchise that covers long-distance, rural and commuter services, so they do not necessarily reflect the experience of commuters using the services in my hon. Friend's constituency. Nevertheless, as she pointed out, satisfaction with NXEA is lower than for train operators in other places, so there is clearly room for improvement, particularly in light of what she said today.

A key task for the Government and the Department for Transport is to protect the passenger and hold train operators to account for their performance, particularly in relation to some recent reliability problems. For example, in early summer NXEA suffered some significant problems with its fleet, which caused a large number of delays and cancellations. The Department took up the problem with NXEA. As a result, an emergency action plan has been adopted. Part of that plan involved hiring additional engineering staff, who were placed at Liverpool Street station to try to deal with technical faults on the spot, in order to keep the trains in service. I gather that that has had a positive impact and that fleet performance has improved considerably.

I emphasise that reliability issues on the rail network in my hon. Friend's constituency are not solely down to National Express East Anglia. Another significant factor is the performance of Network Rail. According to the

latest industry figures, approximately 70% of passenger delays on the line are caused by Network Rail or other train operators. A significant amount of work is under way to improve reliability on the great eastern main line route. Most of the overhead electrical equipment between Liverpool Street and Colchester stations dates from the late 1950s, and extensive renewal work is being undertaken by Network Rail on the Liverpool Street to Chelmsford section. That work is due to be completed by 2012, and it will provide real improvements in reliability. Problems with the ageing infrastructure are one reason for the concerns expressed by my hon. Friend's constituents.

Every passenger dreads hearing the terrible words "planned engineering work". However, when scheduling maintenance and renewals work, the rail industry always faces a difficult balancing act. On the one hand it needs to deliver the relevant work in an efficient and cost-effective manner; on the other it is essential to minimise disruption for passengers whenever possible. Because of the scale of work needed on the East Anglia routes, there has been a long series of weekend track possessions. No matter how much care is taken, is inevitable that possessions will cause some disruption, but on the routes in question it sometimes results from delays in Network Rail handing back possession to National Express East Anglia. If the possession overruns, the train operator does not gain access to the tracks at the scheduled time.

Such disruption can be considerable, especially for passengers facing the dreary Monday morning commute. It is such problems that we need to address in our rail reform programme; we must ensure that Network Rail becomes more responsive to customer concerns about issues such as track possessions and overruns, and that it improves its performance overall in providing an infrastructure that keeps services running. We are very focused on those reforms as well as on reforming the franchise system. The twin tracks of reform are designed to deliver the enhanced levels of improvement necessary to address the problems my hon. Friend has highlighted.

The Office of Rail Regulation is responsible for regulating Network Rail's performance and its stewardship of the national network. In addition, I regularly meet senior representatives of the ORR and rail industry to discuss operational performance and the measures being taken to address problems. I have raised the issue of the performance of the East Anglia routes at this regular forum. In addition, officials at the Department for Transport are in regular contact with train operators to discuss service reliability; and targets for each operator are closely monitored.

The third concern raised by my hon. Friend relates to the timetable to be introduced in December. The Government are funding increased capacity for the NXEA franchise, but that has meant a significant recasting of the timetable. In order to get a timetable that maximises the efficient use of the network and ensures overall passenger benefits, a small number of stations are left with longer gaps between trains. My hon. Friend referred to two of them. Unfortunately, there is no getting away from the fact that difficult trade-offs have to be made and conflicts resolved between the various passenger groups. Efforts to get the maximum efficient use out of the network will sometimes mean that such conflicts are resolved in favour of the busier journeys.

I have listened carefully to my hon. Friend, and I emphasise that it is important that the operator endeavour to keep instances of extended gaps between services to a minimum. The new timetable was developed following extensive consultation during the summer of 2009. I have seen no evidence that the train operators acted unreasonably in making their decisions; but when the new franchise is re-let, timetabling with be considered afresh. That will give my hon. Friend an important opportunity to make further representation.

Our rail reforms are designed to make the rail industry perform more efficiently and respond more effectively to the sort of problems highlighted by my hon. Friend. Programmes to expand capacity on the East Anglia franchise and to renew and improve the infrastructure in order to ensure more reliable services are already under way. Although we had to take tough decisions on rail fares, we have made it clear that the three-year rail fare increase will enable us to deliver the upgrades that are vital to improving life for passengers and to securing our long-term economic competitiveness.

Science, Engineering and Technology (Women)

1.30 pm

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I am delighted to have the opportunity to discuss Government policy on support for women in science, engineering and technology, and that it has attracted such interest across the main parties in Parliament.

Science, engineering and technology are important areas, where we need to increase research and improve productivity, in order that the UK economy can achieve sustained economic growth. It is the view of many that, to achieve these desirable goals, we have to increase the number of women working in those fields. That increase should come from both encouraging young women to enter and supporting women getting back into those fields when they have been away for some years. To do that means continuing to support the work being undertaken by a number of organisations, including the UK Resource Centre for women in science, engineering and technology, and the Institution of Engineering and Technology.

Employers increasingly worry about the under-representation of women, as it is directly affecting productivity and growth. In the private sector, in all SET occupations, there are around 417,000 female employees. Women made up only 12.3% of the work force in 2008, and the IET 2010 survey of engineering employers found that only 5% of engineers and 4% of engineering technicians are women. In the IT industry, men outnumber women by four to one.

Government strategy for women in SET was laid out in 2003, and the key mechanism for taking the strategy forward is the UKRC, which was launched in 2004. The UKRC works with British business to maximise the opportunities for professional women in the relevant areas of activity, and close the skills gap that the Department for Business, Innovation and Skills says is damaging UK competitiveness. It also collates statistics on women's participation in SET education and employment and funds individual projects that aim to improve women's progression and profile. The UKRC analysed its work to assess its value and effectiveness using the social return on investment methodology, as developed by the Cabinet Office and others. The social value generated by the UKRC is nearly £12 million above its grant funding. That means that for every pound invested in the UKRC, £5.27 of social value is created for organisations, women and their families.

My first question to the Minister concerns its future. I consider the UKRC an organisation that we should be supporting at this time to ensure our future economic growth. Are there any proposed cuts to its budget? Public sector cuts could also have a long-term impact on women working in a wide range of science, engineering and technology-related roles. The UKRC's assistant director, Jane Butcher said:

"Nearly 45% of SET graduates working in the public sector are females; this is much higher than in the private sector....The UKRC is concerned that many women scientists, engineers and technologists may lose their jobs, and this will impact on the quality of public services and on the long-term profile and presence of women in SET."

One positive sign for the future is that more girls are studying science, technology, engineering and mathematics courses, otherwise known as STEM. Girls and boys enter GCSE exams in those courses in almost equal numbers. Furthermore, the overall representation of girls in those subjects has improved in recent years, especially in physics, chemistry and biology.

Andrew Percy (Brigg and Goole) (Con): The hon. Lady is right. However, girls and young women are often pressured later into a more academic route, as it is seen traditionally as female. I am keen to pursue joint pathways, where young people, particularly girls, can take both partly academic and partly vocational qualifications. Does the hon. Lady not think that if we can achieve that in our schools, we will encourage many more of our girls to go on much further in these subjects?

Meg Munn: The hon. Gentleman makes an important point. Although we are not largely concerned today with issues in schooling and the like, it is still important in terms of what happens.

Overall, we know that number of girls taking further mathematics, technology subjects, physics and other science subjects at A-level has increased, and it has increased proportionately more than the number of boys taking those subjects. So there is an interest there. The girls perform as well and often better in their GCSE and A-level courses. In 2009, girls outperformed boys in grades A* to C attainment in six out of 12 STEM GCSE subjects. They also outperformed boys in A-grade attainment in all but two A-level STEM subjects and had a slightly better pass rate than boys in all A-level STEM subjects. That level of success is good, but where are those bright young girls going? More young women are studying STEM courses, but female graduates are not heading towards employment in those areas.

Esther McVey (Wirral West) (Con): I congratulate the hon. Lady on bringing forward such an important issue. I would like to declare an interest as the chair of the all-party parliamentary group on the chemical industry and as a supporter of women in this area for the past 10 years. It is interesting that a new report has come out from the Institute of Mechanical Engineers to say that it is vital not only to guide girls through from age 11 to 14, but now to start to look at the progression from the age of seven to 11. I wonder whether the Minister would look to that for future policy.

Meg Munn: These are important areas. It demonstrates that, while we have the Minister from the Department for Business, Innovation and Skills here today, other Departments also have a key role. It is a cross-Government issue. Less than 30% of all female STEM graduates—compared with half of all male graduates—are working in those occupations. Many of those skilled women work in lower-skilled, lower-paid jobs, and the economy is therefore operating below its potential. That is not a recent phenomenon, with 70% of women overall with SET qualifications not working in those areas. Encouraging women into higher-skilled, higher-paid jobs would help us to reduce the current skills shortage and ensure that women have the opportunity to reach their potential.

Unfortunately, in ICT there are particular challenges, with low levels of participation at GCSE, which fall further at A-level and subsequently degree level. Worryingly, participation levels of women and girls have fallen in recent years and that is reflected in a fall in female IT professionals from 25% in 2001 to 21% today. To be successful in the global economy the UK needs more technologists, more scientists and more engineers at every level.

Heather Wheeler (South Derbyshire) (Con): I wonder whether the hon. Lady would like to pay tribute to some of the engineers in my constituency, who are at the forefront of the Young Engineers project. They do not just take it into primary schools, they follow on through and are particularly keen on using the opportunity to go into girls-only schools. I know three ladies who worked incredibly hard on the engineering projects and are now at Cambridge doing engineering. Clearly, that is the future.

Meg Munn: I am delighted to pay tribute to the work they are doing. The hon. Lady is absolutely right about the importance of role models. I shall shortly come on to talk a little about that.

We need people with the experience and skills; we need them for their positive impact on our manufacturing sector and to broaden our innovative capacity. How can we entice female graduates with the knowledge and skills into these sectors of the economy, sectors which are vital to our future? We need to change the culture of many organisations; we must have greater opportunities for women to enter and return to SET training, to education in this area and to employment. To attract, retain and promote women more actively, companies should support women through targeted programmes and improved opportunities. The UKRC runs innovative programmes to help companies understand unconscious bias, which can impact on their work, and to help them identify the practical steps that can help promote gender equality. We need employers also to recognise the benefits of keeping women with skills, through promoting the availability of senior, high-quality part-time and flexible roles. We lose far too many women who just cannot make a full-time job work with family life. They then find that, by the time they can return to full-time work, their skills are out of date.

Of course, it is important to note that some of the companies that are putting those programmes into action are themselves experiencing real benefits, as well as benefiting our economy. Atkins Global, E.ON, BT, Sony and PepsiCo are among more than 100 businesses and organisations that have signed up to the UKRC chief executive officer charter. Women taking part in this type of support project report real change in their job prospects, with more than 60% of them securing work or promotion.

One company where we can see a positive effect of the UKRC CEO charter is E.ON. Back in 2007, the EU Commission found that just 10% of board members across Europe were women, despite the degrees and training that women had. E.ON acknowledged that it was not an exception to those findings. At E.ON, 27% of the employees were female but only 11% held positions in senior management. E.ON wanted to change that and double the number of women in leadership positions in the medium term. It created the Women@Energy project in 2007 to support women. The first results from the research have already been put into practice. Gender issues are now part of the leadership training programme. After a year, more than 100 employees were involved in the group-wide IngE network for women in engineering—I am not sure if I have pronounced the name of that network correctly, but I will give the *Hansard* reporters the spelling. As well as being a fantastic networking device, the key objective of IngE was to find ways to support the prospects for women in technological jobs.

The effort at E.ON progresses. The female network for women executives, which was founded in 2008, provides six half-day seminars over the course of a year, giving focused advice and intensive leadership training to female managers. There is also the women into engineering programme and there are girls' days. E.ON really is a company that recognises the benefits of having a more diverse work force.

I now come on to the issue of role models. The Institution of Engineering and Technology runs the young woman engineer of the year award. That award goes to the very best female engineer that the UK has to offer and highlights the achievements of women in engineering. There is no doubt that providing high-profile role models is an effective way to encourage women to become engineers. The institution supports the winners throughout their year in office and ensures that they get media coverage, highlighting what female engineers can achieve. I wonder if the Minister can commit to supporting this excellent scheme. He will be relieved to know that I am not necessarily talking about money. Rather, I am talking about raising its profile throughout the engineering industry, which would be a signal to young women that their talents and skills are seen as important.

I also want to mention the work being done in the charity sector. The Daphne Jackson Trust is an independent charity focusing on returning talented scientists, engineers and technologists to careers after a break of two years or more. The trust offers flexible, part-time and paid fellowships in universities and industrial laboratories throughout the UK. It has been highly praised by the Government and is acknowledged as running a vital returners scheme. It has a 96% success rate in returning fellows to SET careers. I hope that the Minister will join me in commending the trust's work and thanking it for the effort that it has put into supporting women to return to the careers in which they were previously successful.

Finally, I turn to the women and work sector pathways initiative, which focuses on women's career progression in industries where women are under-represented. For example, Aston Martin is putting 17 female employees through the programme. The company realised that women were encountering barriers and it wanted to equip female employees with the right skills to promote themselves within its engineering business. The company accessed £400 towards the cost of tailor-made training for each of those 17 employees, which was matched by its own contribution. Since the pathways initiative was established in 2006, £20 million in funding has helped more than 22,500 women and 3,200 employers. It is estimated that the value to the economy per woman helped by this scheme is between £900 and £1,300 per

[Meg Munn]

annum, and 93% of employers have stated that the initiative has met previously identified skills gaps within their industries.

However, I am concerned that that initiative is at risk of not being renewed as its final phase is due to end in March 2011. So, can the Minister reassure me that programmes such as this one will continue to receive the vital support that they require? I am sure that the Minister is aware that this project grew out of the Women in Work Commission, which looked at the gender pay gap. Interestingly, today is equal pay day, as designated by the Fawcett Society. The full-time pay gap means that effectively this is the last day on which women are paid in the financial year compared to men. So it is highly appropriate that we are having this debate in Westminster Hall today.

Today's debate will only scratch the surface of this very important issue. I have not discussed in any detail the important role of early school experiences, which some of my hon. Friends, including the hon. Member for South Derbyshire (Heather Wheeler), have mentioned —I will call them hon. Friends today. [Hon. Members: "Hear, hear."]. I have also not mentioned the role of work experience in encouraging girls into these sectors, nor have I touched on the importance of careers guidance, university funding or apprenticeships. In this short debate, I have put briefly to the Minister some of the important work that has been started in this area during the last few years.

It is recognised by everybody that there must be public spending cuts and I acknowledge that the Government have identified the importance of protecting the science budget as much as possible. However, within that budget I ask the Minister to acknowledge the importance of continuing to support the initiatives that I have mentioned, which are making a difference to science, engineering and technology. By ensuring that women are encouraged to develop these skills and by supporting women with these skills to return to their professions, we can help our economy to grow and prosper.

1.46 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I want to thank my hon. Friend the Member for Sheffield, Heeley (Meg Munn) for securing such an important debate and I also thank the Minister in advance for what I am sure will be a very positive response to it.

As an engineer myself for 23 years, this is a subject that I feel passionately about. During the summer, I worked with many organisations to look at ideas for encouraging girls into science, technology, engineering and maths. We have discussed the points that have been raised in this debate with the Minister for Equalities and I look forward to working on them with my hon. Friend the Member for Sheffield, Heeley.

I agree with everything that has been said so far in the debate. Briefly, I want to make two additional points. First, although women are under-represented in all areas of engineering, only 3% of engineering apprenticeships are filled by women, which is a figure in the realms of statistical error. Therefore, I want to ask the Minister if he will develop an action plan to address that particular issue.

Secondly, as has been said already, it is essential to inspire young girls about the potential of engineering. There are many good pilots and projects that are running in this area, and I hope that the Minister is aware of and can confirm the funding for projects such as the Aim Higher and Stimulating Physics schemes, which are run by the Institute of Physics. I hope that we will go on to see a cross-party consensus in this area.

1.47 pm

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): It is a pleasure, Mr Hollobone, to serve under your chairmanship and indeed to respond to this short but important debate. I congratulate the hon. Member for Sheffield, Heeley (Meg Munn) on bringing this issue to the attention of the House, and I also congratulate the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) on her contribution to the debate. I know that both of them have relevant experience in this field. I know that the hon. Lady has a degree in electrical engineering from Imperial college, and the hon. Member for Sheffield, Heeley has highlighted her own long experience in the field.

The subject matter of this debate concerns both women and science. To begin with, let me say a word about the first of those. It is absolutely right that we should provide opportunities for girls and women to fulfil their potential, wherever that takes them. The Government are wholly committed to the idea that people, regardless of where they start and of who they are, should be able to fulfil their potential. Of course, that includes science, technology, engineering and maths, or STEM, subjects, about which I will speak in detail in a moment. However, it is perhaps worth putting on the record that women contribute to our society in all kinds of ways, not least in this place, and I make no apologies in your presence, Mr Hollobone, for highlighting the contribution that women are making to our national interest in Afghanistan and Iraq as we speak.

For too long, however, the public perception of science has been that it is a predominantly male field. The reality of the scientific professions has been and, as the hon. Member for Sheffield, Heeley pointed out, to some extent remains predominantly one of middle-aged men in white coats. However, even that reality must not be allowed to obscure the achievements of women who have dared to break the glass ceiling.

When women first battered down the doors of our universities, it was most often to study the most scientifically demanding of subjects: medicine. These days, more than a century on, young British women with a talent for science are not short of inspirational examples, including Dorothy Hodgkin, who won a Nobel prize, and Rosalind Franklin, who surely would also have won one alongside her colleagues Watson and Crick had she not died tragically young. Other great figures such as Jocelyn Bell Burnell and Nancy Rothwell happily remain with us as living proof that women's aptitude for science is certainly no less than that of men. Why should anyone assume otherwise? After all, science is as bound up with the world around us as other subjects, if not more so. Rosalind Franklin wrote that

"you look at science (or at least talk of it) as some sort of demoralising invention of man, something apart from real life, and which must be cautiously guarded and kept separate from everyday existence. But science and everyday life cannot and

should not be separated. Science, for me, gives a partial explanation of life. In so far as it goes, it is based on fact, experience and experiment."

In my view, the case for women not just in science but in other supposedly male preserves is already made.

History is full of instances where the price of equality has been paid in blood, but in the case of women's representation in scientific and technological subjects, it has tended to be paid in gold. The hon. Lady mentioned a number of schemes that have contributed toward that price. Some have been supported by Government funding; others rely on other sources. I will happily advertise those schemes, as she asked, and congratulate the people associated with them. By advertising such schemes, as this debate plays an important part in doing, we will encourage more people to participate. We need not apologise for amplifying remarks such as those made here today whenever we can.

On the hon. Lady's understandable concern about the continued availability of public funds, although that is not the only issue, as she generously acknowledged, I point out—she would hardly expect me to do otherwise—that in the recent comprehensive spending review, the Government acknowledged the critical role that science plays by defending and protecting its budget for an extended period. That decision was not easy, for there are, of course, many competing priorities, but we fully understand the key role that science plays in contributing to economic growth, feeding social enterprise and networks, serving the common good and providing the competitive edge that our businesses need. Her assessment of the value of science is shared across this Chamber and in Government.

Beyond that, I hope to satisfy the hon. Lady on several specific issues and to offer reassurance. I mentioned the ring-fenced support that we have given to science in the CSR; she will know that it amounts to about £4.6 billion a year. That will continue to support research in higher education and remains a substantial commitment of taxpayers' money, as well as a vote of confidence in the science base. This Government need no convincing that scientific and technological excellence have a big role to play in renewing economic growth.

The hon. Lady rightly mentioned employers such as E.ON and charitable organisations such as the Daphne Jackson Trust, which are important, in particular, to women entering or returning to careers in science, engineering and technology. I assure her that such initiatives have and will continue to have the Government's full support and encouragement.

In her concluding remarks—though she said that she did not have time to discuss it in detail—the hon. Lady mentioned the importance of high-quality careers guidance. She is right; it is critical in setting young women's feet on the path towards careers in areas that have traditionally been largely male preserves. She is also right that the advice that young people get at school shapes the pattern of their subsequent progress in both learning and employment. It is therefore important that such advice is empirical, independent, up-to-date and gender-neutral, and is not about where people start from but about where they might end up. To that end, I shall set out this week, in a speech in Belfast, plans for improving careers advice and guidance.

The hon. Lady will know of my personal commitment to apprenticeships. She is right that they too involve a gender imbalance. She will be pleased to know that, mindful of that imbalance, I wrote this summer to the Skills Funding Agency asking how we can take steps to improve access to apprenticeships, particularly in fields such as engineering, for young women. I am anxious to ensure that that access enables young women with an interest and passion in and a talent and taste for STEM subjects, particularly applied science, to enter apprenticeships at all levels. I will speak more about apprenticeships in the coming weeks and months, but suffice it to say at this juncture that our extra investment in apprenticeships—£250 million in the CSR, with the potential to increase the number of apprenticeships by 75,000—must include a proper concentration on the opportunities available to young women and those who want to return to the workplace, change direction or upskill.

On that point, I will say a word about adult community learning, which we also protected in the CSR settlement, as both hon. Ladies will know. Adult community learning is important, in particular, for returning women who have taken time out from learning or the workplace and want to improve their chances of re-engagement by updating their skills. It is an important bridge to subsequent learning opportunities and employment.

It is not necessarily the case, nor should it be, that few young women, properly and professionally advised, should make their way into science, engineering and technology. I do not accept that we must leave things as they are. To that end, as I think the hon. Lady is aware, the Government have taken and continue to take steps and support initiatives to break down perceptions among young women, employers, training providers and educational institutions that the battle that she has fought for some time cannot be won.

The case for bringing more women into science and technology studies and careers requiring excellence in those fields is, in my judgment, unanswerable. It is impossible at this stage to promise new investment. I do not think that the hon. Lady expects me to—indeed, she almost acknowledged in her speech, generously, that I would be unlikely to do so—but it is important to promise on the record our continued commitment and effort in the direction in which she wishes us to travel, not merely as a Government but as a nation.

My right hon. Friend the Chancellor of the Exchequer has rightly described the Government's task as bringing our economy back from the brink. Let no one be in any doubt that we are fully aware that a strong science base has an indispensible role to play in accomplishing that task. Without it and the skills of our scientists—both men and women—Britain's ability to use scientific and technological innovation to promote growth would be greatly diminished.

Meg Munn: I am trying to pin the Minister down on two specific points. Can he say anything today about the UKRC and its funding, or about the future of the women and work sector pathways initiative?

Mr Hayes: I considered both those points in anticipation of this debate, as the hon. Lady would expect. I cannot give a definitive answer, but I can tell her that we take those matters seriously and are debating them carefully. The fallout from the CSR in all areas of Government is such that we are working through exactly what we will

[Mr Hayes]

fund and how. Even within the ring-fenced science budget, it is obviously imperative to ensure maximum cost-effectiveness. I know that my right hon. Friend the Minister for Universities and Science is considering the issue closely and that he is particularly aware of those two initiatives, as I discussed them with him before I entered this debate to speak on his behalf. The hon. Lady's point has been heard and taken note of. That is as far as I dare go, given that I am standing in for the Science Minister and am interested in keeping my job by not falling out with the Prime Minister or the Chancellor of the Exchequer.

The hon. Lady is right to say that it is partly an issue of culture and of what we expect and anticipate. It is also partly about the perceptions of young women. She made an interesting point about the early promise in STEM subjects shown by many young women that is not fulfilled. Our job, on the back of this debate and inspired by examples such as hers, is to ensure that that promise is fulfilled for many more young women in future. It will benefit them, our society and our economy, and I think that we will all grow bigger as a result.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 3 November 2010

[MR GARY STREETER *in the Chair*]

Speech Therapy Services (Children)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Stephen Crabb.)*

9.30 am

Paul Maynard (Blackpool North and Cleveleys) (Con): Thank you for calling me to speak in this important debate, Mr Streeter. It is important because of the very large number of children in this country who require speech therapy to make the most of their lives. I am delighted that the Minister is able to join us today and apologise for dragging her away from the important work of putting together the Green Paper that we anticipate. I pay tribute to the personal interest she has shown in the matter not only since getting her job in government, but when she was in opposition.

I will not start by reciting the usual litany of depressing statistics associated with speech and language therapy as my opening gambit, which would be a little predictable. Instead, I will start by paying tribute to the work of some of the charities involved and to the previous Government. What we have today is the end result of a process. It started with a charity called I CAN, which ran the campaign, "Make Chatter Matter", and spent three years building awareness among politicians, such as us, about the importance of speech and language communication. That led to the Bercow review, the better communication action plan—brought forward by the previous Government—the appointment of Jean Gross as communications champion and the designation of 2011 as the year of speech, language and communication.

We are part way along an important journey that was initiated by the previous Government and then taken up by the current Government. That is why it is really important to pay tribute to the fact that a Green Paper is now coming forward. Among all the organisational changes that we are planning in public services, I am delighted that the Government have found space in their schedule for a Green Paper on the important issue of special educational needs. It is a welcome opportunity to entrench greater choice for parents, earlier identification of the needs of those with speech and language difficulties, more tailored support and improved transition services, which I believe are so important.

Clearly, there is still work to be done. There is an organisation in the north-west called speechbubble.co.uk —why they have to add ".co.uk" to everything these days, I do not know—which works in my constituency and many others in the region to encourage better quality speech and language provision. In its survey of SEN co-ordinators, it found that more than half had never heard of the Bercow report and were not even aware of that ongoing process.

Members must forgive me, for I will now embark on a bit of a shopping list of issues that I think still need to be considered in the Green Paper. Given the time available and the number of Members who wish to speak, they will have to forgive me if it turns into something like an episode of "Supermarket Sweep", rather than a shopping list. I will do my best not to lose coherence.

It is crucially important that I pay tribute to my own speech therapist, Mrs Williams, who saw me for four years, between the ages of five and nine, to help me learn to communicate better. It was only when I was preparing for the debate that I began to think about what she had taught me, as I never really thought about it at the time. She was not teaching me to make a noise or how to speak, but how to communicate and get my message across. There is often a misconception that speech and language therapy is about putting stuff into people's minds so that they have something to say. There was plenty going on in my mind—far too much, actually—so my mouth could not keep up when I was trying to express it all. She taught me to slow down and not to panic, stammer or trip over myself. Although that is not always ideal within a parliamentary setting, when one might have a six-minute speech limit, it is still a useful lesson today. There is no need to rush. Just because one has things to say, one does not need to get them all out in 30 seconds.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I congratulate the hon. Gentleman on securing the debate. Unfortunately, I will have to leave before the end to attend a meeting, which I apologise for. He rightly paid tribute to the work of his speech and language therapist. Does he agree with me that it is important that all levels of the Government work with the Royal College of Speech and Language when developing their policies in that area so as to maximise the potential benefit they can get from it?

Paul Maynard: I thank the hon. Gentleman for his intervention and agree entirely. Our speech and language therapists are a much underused resource, and as time moves on they will be in much more demand. A report shortly to be published by the International Longevity Centre will tell us how, with the growing incidence of Alzheimer's and the difficulties that adults with communication problems will face, the pressure on speech and language therapists will increase far more.

David Simpson (Upper Bann) (DUP): I, too, congratulate the hon. Gentleman on securing the debate, and I congratulate the work of speech therapists. One issue that we have found in Northern Ireland relates to recruitment; perhaps he will comment on it. We find that of the 15 or so young ladies—it is predominantly young women—who start the course in college, only four or five are left trying to finish the course at the end of the year. The therapists do fantastic work, but there is a concern about the provision, and I would be interested to hear his comments on that.

Paul Maynard: I thank the hon. Gentleman for an interesting contribution, which highlights a problem that covers so many areas of medical training: what comes in at the beginning does not always come out at the end. We have to support those who are making a commitment to public service.

It is worth noting that speech and language therapists play an immensely important role across a wide range of areas. In the youth justice system, for example, the

[Paul Maynard]

offenders are children, although we often do not think of them as such. The work that speech and language therapists do within young offender institutions is vital in reducing reoffending rates and crucial for improving life chances. The Children's Communication Coalition made an interesting comment in its June 2010 report:

"The true costs of not supporting children with speech, language and communication needs – above and beyond those that are measurable in direct financial terms – are very great indeed. The personal and familial costs of poor educational attainment, descent into criminality and long-term exclusion from the mainstream are hugely significant and potentially corrosive to society at large. Poor educational outcomes often lead to poorly paid jobs or unemployment. In turn, this can lead to a perpetuation of the poverty trap and a vicious cycle of health problems and health inequalities".

In a sense, that could sum up the entire debate in 30 seconds, and I could just sit down. It covers everything we need to be concerned about.

Nick Smith (Blaenau Gwent) (Lab): I congratulate the hon. Gentleman on securing the debate. Does he agree that communication competency needs to be a key performance indicator, along with literacy and numeracy, in our schools?

Paul Maynard: I agree entirely. The hon. Gentleman has anticipated my next point. Speech and language therapists are there not just to help children, but to help the entire children's work force understand that communication needs to be the golden thread running through everything they do. They need to be equipped to train staff, teachers and others who work with children, as well as the children themselves. I ask the Minister to confirm that she will do all she can to ensure that we recruit more speech and language therapists to meet the unmet needs that are out there.

The better communication action plan made a specific commitment to universal screening as part of the healthy child programme. Many major bodies, including the Royal College of Speech and Language Therapists, which I suspect has managed to get many supporters to attend the debate, wants to see that occur at age two and five, in advance of the reading assessment. What steps will the Minister take to ensure that that aspect of the action plan is taken into account?

Another important aspect that is often overlooked is that when we discuss children's speech therapy we often think of those aspects that are what I describe as being high incidence, but low need. In other words, many children face communication difficulties, such as language delay, but their support needs are actually quite low. There is a much smaller group, which has much more complex needs, but the incidence of that need is relatively low. That poses a particular problem in commissioning. I wonder what the Minister's views are on how we balance those two competing aspects, because where there is low incidence but high need, it is often more of a health intervention, rather than an educational intervention, that is required.

Jim Shannon (Strangford) (DUP): Just this last year, I witnessed what I can only describe as the transformation of a young boy from being unable to communicate to being able to talk quite clearly within a matter of months, so I have seen at first hand the work that can be done. One of our concerns, which is shared by many people who look after young boys and who try to train them, relates to the financial provision. In relation to the comprehensive spending review cuts that have been made and how they will affect provision, does the hon. Gentleman agree that the front-line service of speech therapy should be retained and that people should know that the moneys are there for young people?

Paul Maynard: I thank the hon. Gentleman for his intervention. I agree entirely. That is why we say continually that the most vulnerable are those that really should be protected, and front-line services will be protected.

Whenever we try to abolish quangos in particular, we can always find one saving grace in every quango that gives us a justification for keeping it. With Becta, which provides educational technical equipment, one of the saving graces was the work that it did in the augmentative and assistive communication sector—AAC for short, to save me a bit of time. Can the Minister confirm whether the funding that was originally to go through Becta to the AAC sector will still go to it to fund not just the specialist provision of AAC equipment, but the leadership roles in the sector? That is another part of the better communication action plan that I hope will be continued throughout the year of speech, learning and communication in 2011. Will she also commit to re-examining the issues of provision in the AAC sector? She may not be aware of the problems facing the ACE—Aiding Communication in Education—centre in Oxford, which faces closure as a result of some of the changes in that charity and the funding of the wider sector.

Will the Minister support the proposals from the communication champion, Jean Gross, for a new AAC commissioning model that reflects the differences between high incidence, low need, and low incidence, higher need, which are crucial to a proper appreciation of the sector's needs?

I said that I did not want continually to go in for shocking statistics, but let me give just one, which is that 55% of children in the more deprived areas arrive at primary school with some form of language delay. That does not necessarily mean that there is anything going on; it just means that they are delayed in the formation of basic skills. That happens for a range of reasons, but often it can be something as simple as mum and dad not talking to them when they were babies.

Booktrust, a charity of which many hon. Members may be aware, does fantastic work in more deprived areas just by handing out bags of books to young mums to encourage them to read and by saying to young dads, "It's a good thing to sit down with your young child and read them a story. Don't just watch the football match. Read "Peppa Pig" or whatever children's literature you happen to have to hand; it helps your children."

Can the Minister confirm, in light of the CSR, that the very important funding that Booktrust receives from the Government, which allows it to access £4 of private funding for every £1 of Government funding, will continue in order to help us to deal with that language delay and gap in the most deprived areas? That is just one example of the philosophy of early intervention, which is gradually receiving unanimous, all-party support as a principle. What it means in policy terms often varies greatly, but the principle of early

intervention is now accepted by all in the House, I hope. It allows us to escape the departmental silo thinking that has bedevilled public policy formation in this country for far too long.

How does the Minister think that the pupil premium, which both coalition parties advocated pre-election, will benefit children requiring speech and language therapy at the moment? In particular, does she agree on the importance of appropriate diagnosis and that improving the quality of diagnosis might lead to fewer children being diagnosed as having special educational needs? Does she recognise that one goal of speech, language and communication therapy must be to take pupils off the SEN register because their language delay has been dealt with, the gaps have been filled and they are now able to participate fully in society? I ask that because there is a particular problem with stigmatisation.

Even 30 years ago, when I had speech therapy, I was taken out of my primary school and transported down to the village health centre. I was regarded as different—special—because I had to be taken out. That was 30 years ago; one would like to think that things had moved on. Unfortunately, the stigma is still there. I urge the Minister to ensure that more and more services can be delivered in the school setting and do not require the pupil to be stigmatised, or made to look different or special.

Let me explain one way of doing what I have described. At Fleetwood high school, in the constituency of Lancaster and Fleetwood, which neighbours mine, children with special educational needs are dealt with under the same umbrella as those who come under the gifted and talented scheme. There is not such a difference between them as one might think, because very many people with special educational needs, and in particular speech and language needs, are also very gifted and talented young men and women. The two are very often the same group. I urge the Minister to consider how such an approach can reduce stigmatisation.

I warmly welcome the ambition of the forthcoming Green Paper to equip parents to have more choice in and more say over how their children are treated by the "system". One of the grave frustrations of so many parents whom I meet in my advice surgeries—and, I am sure, those whom other hon. Members meet in their surgeries—is that when they take their children to the office of the relevant public organisation and sit down to have a discussion about their child's needs, they immediately find that there is a form before the public servant in front of them and they are then forced somehow to adjust their child's needs to fit the existing boxes on the form. If their child's needs do not quite fit, there is a problem; they do not quite get the tailored support that they need.

Can the Minister make any suggestions about how we start to change the tick-box culture? I think that this is the most crucial question in public policy at the moment: how do we get away from a situation in which services are designed for people to fit into and move to a situation in which services are designed to fit around the needs of the individual? That is important.

Alun Cairns (Vale of Glamorgan) (Con): I congratulate my hon. Friend on securing the debate and on the contribution that he is making. He refers to the Green Paper. Does he share my concern about the risk to the statementing procedures posed by the potential withdrawal of the rights that currently apply under those procedures? An example of the importance to the statementing procedures of speech and language therapy is that 10% of cases at the special educational needs tribunal arise as a result of deficiency in speech and language therapy provision in schools.

Paul Maynard: That is a very important statistic and I thank my hon. Friend for making his intervention. I hope that it will be borne in mind that we have to get the process of diagnosis right. There is no point in merely diagnosing children with special educational needs as a shortcut to fulfilling some target in a back office somewhere. The system must be designed around the needs of each individual child.

Finally—as I am sure everyone will be pleased to hear—and most importantly, my biggest concern about the Green Paper is the fact that so much of what we shall require will have to come from the Department of Health as well as the Department for Education. My big fear, based on observing 20 years of public policy in this country, is that getting Departments to talk to each other, to sing from the same hymn sheet and to work to the same agenda is perhaps the hardest task in government. It is not enough just to have the smiling, happy faces of two Cabinet Ministers at the bottom of the introduction page of a Government document. There needs to be an alignment of strategic priorities, close partnership working and agreement. Can the Minister confirm what joint working is occurring with the Department of Health and how the plans for NHS reform, academies and special educational needs will coalesce seamlessly? That is the real challenge.

I do not want to go back into the statistics, but so many children are struggling at school through no fault of their own but merely because their needs have either not been identified or not catered for adequately. Too many children are trapped. It is a form of social exclusion that they are not able to participate fully in society. I strongly welcome all that the Minister is doing in this field, and I urge her to continue her work. I look forward to seeing the Green Paper, as I am sure many other people in the sector do, and I look forward to hearing the Minister's answers to my questions today.

9.50 am

Pat Glass (North West Durham) (Lab): I congratulate the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on securing this important debate, which is really important to me and to thousands of children and their families across the country.

The ability to communicate effectively is a key life skill. It underpins our ability to learn and to understand, to express our views and knowledge to others, and to understand their views and knowledge in return. Without good communication skills, we are not able to take our place alongside our peers in an increasingly complex world, in which good interpersonal communication skills are now as important—sometimes more so—than good qualifications.

I apologise for stating the obvious: communication is not just about being able to speak properly. It includes receptive language skills, which is the ability to understand and make sense of what is said to us, expressive language

[Pat Glass]

skills, which is the ability to speak clearly and make ourselves understood, and higher-order language skills, which is the ability to use and interpret humour, inference, scepticism, irony and other non-direct language.

There are many reasons why a child might fail to develop age-appropriate communication and language. For some children, there might be a link to a neurological or physiological problem, for instance oral dyspraxia, cerebral palsy or autism, but many more of them simply do not have access to the good language and stimulation that they need from an early age, and therefore enter our schools and nurseries with few, if any, information-carrying words.

In many children, communication disorders are complex and largely hidden. The child can speak, albeit with a limited vocabulary. He—it usually is a he—can go on to learn mechanically and by rote. On any crude measure of progress, such as reading age, the child might seem to be making good progress, but careful and specialist assessment by people such as speech therapists can identify that their grasp and understanding of what they have learned by rote is limited. They might appear to read well, but that reading is mechanical, with little or no understanding. As they have limited language and vocabulary, and their reading is mechanical rather than conscious and creative, their language-into-literacy skills do not develop as they should. That is largely why we have so many children failing to get good reading skills and go on to gain good skills in other areas. They do not have the basic understanding that they need to learn more complex concepts. That can lead to frustration in the classroom, and as a result a child can either become withdrawn, which can be misdiagnosed as a learning difficulty, or have tantrums and difficult behaviour, which can be misdiagnosed as a conduct or a behavioural disorder.

There are more than a million children in this country with speech, language and communication needs that are not the result of language neglect, lack of stimulation or other external factors. That means that in the average classroom there can be two or three children with such communication difficulties. Of that group, a large cohort has specific language impairment, meaning that their difficulty is not related to other general issues such as learning difficulties, hearing impairment, autism or cerebral palsy.

A child with a specific language impairment might well be cognitively able, which is a point made by the hon. Member for Blackpool North and Cleveleys. They will struggle, however, to understand the vocabulary used in the average classroom. A significantly greater number of children have speech, language and communication needs that could be classified as caused by language neglect and lack of stimulation in their early years. Those children need early and appropriate intervention. They and their needs cannot be ignored, nor can they be treated as less deserving simply because their needs are, in a sense, acquired rather than organic. Without appropriate intervention, those children will be diagnosed as conduct disordered or delinquent and will go on into a self-fulfilling prophecy, which will cost this country millions and millions of pounds.

We know from very clear evidence what happens to children with speech, language and communication disorders who do not get appropriate intervention and support. Youth offending services identify that 70% of young offenders have an underlying speech, language or communication disorder. The chief inspector of prisons tells us that more than 60% of prisoners have an underlying speech, language or communication disorder, as do a significant proportion of adults accessing our mental health services.

Nick Smith: Is it not astonishing that 70% of people in our criminal justice system have a communication disability or disorder? Should not the Government invest in specific speech and language therapy support, particularly for the young people in our criminal justice system, so that they have a chance to get back into proper life?

Pat Glass: I absolutely agree, and I can go on from that.

The National Autistic Society has identified that 70% of young people with autism, the vast majority of whom have an underlying language and/or communication disorder even if that is restricted to higher-order language difficulties, also have a mental health difficulty. Shelter tells us that a significant proportion of people classified as homeless have an underlying language and communication disorder. I could go on and on.

However, those issues are not limited to language and communication disorders; they are seen across many areas of children's health, such as physiotherapy, occupational health and, one of the huge ones for me, child and adolescent mental health services. Review after review has identified that, to address the issues, diagnosis needs to be timely and carefully carried out by specialists—speech and language therapists—and services need to be appropriate to need and easily accessible, a point made by the hon. Member for Blackpool North and Cleveleys. Specialists in education and health need to work in partnership with the child and the family at the centre, not separately, and not, in the case of health, in a clinic far removed from the day-to-day life of the child in the classroom.

Unlike, I suspect, many other Members here, I do not see more and more speech and language therapists as the only answer. Although I want to add my thanks to specialist speech therapists for the incredible work that they do, and although I consider them part of the way forward, they are not the only answer. In my view and experience, early intervention and appropriate provision include four fundamental necessities. The first is better training for all early years education staff—teachers and support staff. Given that we know that in some cases there will be up to five children with a significant speech, language and communication disorder in an early years classroom, it seems reasonable that every such classroom should have within it one adult—a teacher or a specialist support assistant—who has additional experience or qualifications in this area. I was an assistant director of education in the constituency of my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) a number of years ago, and we made that a requirement of our accessibility strategy. As a result, we saw a shift in the language-into-literacy issues—in the communication difficulties that were preventing children from learning to read and to progress in other areas.

Secondly, language development needs to be an integral part of the whole curriculum. The hon. Member for Blackpool North and Cleveleys talked about pulling

children out of lessons and classrooms for one-to-one speech therapy sessions. Such sessions are isolated from what is going on in the child's classroom, lessons and life, and are much less valuable than ensuring that the child is surrounded by a rich and appropriate vocabulary each and every day, and that lessons are planned and delivered to include language development as key steps.

Thirdly, specialist speech and language therapists need to be actively involved in curriculum design and delivery and in-service training for staff in schools. Finally, we need an accountability framework that understands the importance of language development in learning, and holds not only head teachers and governors, but those who commission children's health services, to account for the training of staff and the outcomes of children with speech and language difficulties. By not intervening in an appropriate, timely and systemic manner we stand aside and allow generations of children to be labelled behaviourally disordered, conduct-disordered or odd and difficult, or as having learning difficulties. That is wrong and unnecessary, and too often it blights the lives of those children and their families.

As the Minister is here, I want to make a further plea to her to consider transferring the funding for children's heath services to local authorities alongside funding for public health. It will not be sufficient funding, but at least it and the bulk of the responsibility will be in the same place, which will give parents a little more to hang their hats on when arguing for services.

Again, I congratulate the hon. Member for Blackpool North and Cleveleys on securing this important debate. I will work positively with anyone, on either side of the Chamber, who highlights these matters and is prepared to work with me to address them.

Mr Gary Streeter (in the Chair): We have 14 minutes until wind-ups begin, and six colleagues are trying to catch my eye, so contributions of around seven or eight minutes would be most welcome.

10 am

Annette Brooke (Mid Dorset and North Poole) (LD): It is a pleasure to serve under your chairmanship, Mr Streeter. I apologise that I will have to leave before the end of the debate; one of my constituents has organised a big rally in Old Palace yard for park home owners, and I should be standing alongside the banners that will, inevitably, be there.

I officially start by congratulating the hon. Member for Blackpool North and Cleveleys (Paul Maynard), who spoke elegantly and passionately. He brought the debate alive for us this morning. It is a timely debate because we are at a crossroads; we can look back over the excellent work that came out of the Bercow review, but we are at a point where we need to look forward, learn what we can from the past and take some steps forward. I appreciate the fact that the previous Government commissioned the Bercow report, committed resources—never enough, of course, but the resources were considerable—developed an action plan, appointed a communication champion and designated next year as the national year of speech, language and communication. Those were important steps forward.

As the hon. Gentleman and the hon. Member for North West Durham (Pat Glass) pointed out, there is a spectrum of needs, which is why the matter is complex to debate. At one end, there is high need, low incidence, which needs highly specialised skills and technology, some of which comes in very expensive packages, but what an enormous difference it can make to the quality of life of the child and whole family. I want to touch on the whole family throughout the debate because it is important. At the other end of the spectrum, there are issues that we know can be addressed through simple interventions, which I shall touch on.

It is highly significant that speech, language and communication needs feature in statements of special educational needs for 26.5% of mainstream educated children. How significant the problems are is absolutely staggering. Other Members have dwelt on the fact that if there is a communication problem, a behavioural problem often emerges. That is natural; for a three or four-year-old who cannot express themselves, with adults not responding in the way the child wishes, what else do they do? Inevitably, we will have behavioural problems; and that, of course, identifies the necessity of early intervention. Not intervening early means that problems escalate to widespread exclusions at secondary schools and the concerning percentage of young offenders who have speech and language difficulties. Obviously, we must emphasise that it is not a straight one to one causal relationship, but there is a significant link.

I was interested in the comments by Jean Gross because we are concerned about people thinking, "Oh, the child's just lazy. There are lots of very clever people who didn't start to speak until three or four. Do we need early intervention?" I passionately believe that we do. A mother came to me with a boy of four. He could not speak and his behaviour was getting out of control. I suggested that the mother went to the GP to ask for a specialist referral, and the GP came back at me and said, "How dare you tell me how to do my job?" I was rather pleased that I stirred that up. When we talk about training the whole work force in these needs, we need to include health workers, health visitors and GPs, as well as those in education.

I want to be brief, so I shall go over the key issues quickly. I recall that the Bercow report said that provision and joint working is patchy across the country. There were 16 pilots announced in 2009 to look at best practice in working together in health and education. I do not know if there has been a chance to evaluate them, but it is important to look at everything that has been initiated and evaluate it as soon as is timely. We have to learn from all of this, but it is difficult to come up with a national framework because the solutions have to be local.

I am concerned about health provision. We have speech therapists and we have teachers trained by specialist speech therapists, which is good but it must not be a substitute—it is an add-on. Too many authorities are using it as a substitute, but it is not. We must have sufficient qualified speech therapists. I cannot get a grip on what the shortage is. As the Minister is aware, I am always asking parliamentary questions about numbers of specialist workers, but I cannot home in on what the shortage is, and we must have a grasp of what the needs are. I can think of fantastic situations in which specialists trained up pre-school workers, for example, in children's centres to work with children identified as having language delay. That is good for low-level speech and language problems, but we are not getting a grip on the exact size of the work force needed to address the issues, on how it

[Annette Brooke]

is all pulled together and on where working together comes forth and provides an add-on. Simply saying, "All we're doing is perfectly satisfactory," when it is a substitute, is not good enough.

I emphasise the point the hon. Member for Blackpool North and Cleveleys made about the importance of an individual solution, particularly for a family. A mother who came to see me had six children including five-month-old twins, and one child in the middle had speech and language difficulties. A package was drawn up for her to give an amount of assistance a day. Of course involving parents and carers in the package is important, but, somewhere along the line, the family circumstances have to be taken on board.

Due to time, I shall end there. I endorse all the points made already, and I look to the Minister to focus on getting a grip on how all the services come together to give the best possible start to communication in a child's life.

10.8 am

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I join the tributes to the hon. Member for Blackpool North and Cleveleys (Paul Maynard) for his comprehensive and well informed speech. I congratulate him on securing this important debate. We are debating these matters when the economy could be in better shape. The hon. Gentleman and I were at a meeting in a Committee Room of the House of Lords last week, where the organisations of and for people with disabilities, particularly children with learning disabilities, got together to discuss what is happening, what might happen and what the problems might be given the current situation.

Lord Rix, who is my co-chair of the all-party disability group—perhaps I should put that the other way round—made an outstanding speech. The next day, he followed it up by reading a letter to the Minister responsible for disabled people, the hon. Member for Basingstoke (Maria Miller). Being the gentleman that he is, he apologised for the passion that he had shown the night before, although I do not think that he needed to apologise. Like his speech, his letter was profound, and I will quote an important paragraph from it:

"If support is adequately financed and provided for by all schools, children could remain in a setting in the heart of their local community. Placing this responsibility on parents in terms of their child's education could be an additional burden in their already complex lives, if the right levels of support, information and advice are not adequately provided. This could also potentially lead to parents having to prioritise aspects of their child's development i.e. speech and language therapy over in-class support which could have significant legal ramifications on issues concerning the responsibility of educating children with special educational needs."

I am glad that Lord Rix made that point; it is repeated again and again.

Some of us—perhaps all of us—received representations this morning from the Royal College of Speech and Language Therapists, to which the hon. Member for Blackpool North and Cleveleys referred. In the hope of a reply, questions were put to the Minister that included:

"Will communication competency be seen as critical to the forthcoming Schools Paper and will the Minister consider mainstreaming communication competency as a measurable outcome within the school curriculum?"

Other questions raised may emerge during the debate. That underlines how vital education is to the problems that we are discussing—education, education, education.

In the time available, I would like to refer to the work carried out by the hon. Gentleman's predecessor, Mrs Joan Humble. We were asked by the then Secretary of State for the Department of Children, Schools and Families to set up a review looking at the needs of disabled children and their families. I led that review and inevitably, based on evidence from parents, children, carers and those who work in social services, we had to focus on the importance of funding. If funding was important when things seemed to be affluent, it is much more important today given the financial outlook that we face.

My one regret is not about the findings of the group that I had the privilege to chair. The Department was funded through the allocation of an additional £340 million to look at issues such as early identification, which was one of the points raised by my hon. Friend the Member for North West Durham (Pat Glass). That included £34 million for Scottish children. My one regret is that, as far as I can see, not a penny reached children with special needs in Scotland. Without any consideration for ring-fencing, the Scottish Government allocated the money to local authorities to spend however they wished. All local authorities decided to keep council tax at the present level. There is not a shred of evidence to suggest that the priorities that we presented to the Department were taken on board by any local authority.

Given the comprehensive spending review and the issues that follow from that, my regret today is that the same issue might apply not only to education authorities but to health boards. I thought for a time that the problem applied only to Scotland, but when we examined where the money went in England, sadly in Wales and also in Northern Ireland, we saw that it did not go to where it was intended. Vulnerable children found that their needs were not being met, and other issues such as those discussed today, and those raised by Mencap and other bodies, are not being addressed.

Mencap has noted that certificated training in this area is not mandatory, and that few schools have sufficient professional development funding to sponsor staff who are doing certificated or master courses. That is one issue, but there are more. What goes on in the classroom, the environment and the community is hugely important to children with profound and multiple learning disabilities.

In view of the time, I will conclude by saying that we all want to see the problems that have been identified addressed. We want Parliament to be better informed, and we recognise the work of the various Select Committees. Yesterday, during Health questions, I put a question to the Minister of State, the hon. Member for Sutton and Cheam (Paul Burstow). I asked whether

"the confidential inquiry and the learning disabilities public health observatory will go beyond March and until the work is concluded".

The Minister of State replied that

"we had a good debate in Westminster Hall earlier this year on this matter, in which I indicated the Government's support for those observatories. We believe they play a very important role in our understanding of the issues."—[*Official Report*, 2 November 2010; Vol. 517, c. 750.]

I welcome that, but I wonder whether the Minister will respond specifically to my question, and provide reassurance to those who support the work that is going on.

10.17 am

Rehman Chishti (Gillingham and Rainham) (Con): It is a pleasure to serve under your chairmanship, Mr Streeter. I congratulate my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) on securing this debate on an important issue. I will apply the principle that brevity is a virtue and not a vice, and keep my remarks short. First, I would like to put things into context from a Medway perspective. Medway local authority has a good and close relationship with speech and language therapy teams. It has been working collaboratively to develop capacity so that teachers and school staff can address most speech and language needs in school. That frees up time for speech and language therapists to give direct therapy to the children with the most complex needs.

In the current financial climate, where budgets are so closely scrutinised, will the Minister tell us how the Green Paper will address the anomaly of local authorities being responsible for funding speech and language therapy that is diagnosed by health bodies and written in a statement? Will the forthcoming Green Paper provide for a focus of speech and language therapy in early years; for example, through a refocused Sure Start that targets children living in poverty?

10.18 am

Vernon Coaker (Gedling) (Lab): I join other hon. Members in congratulating the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on securing this debate. Debates that take place in Westminster Hall are often significant. This is one such debate and it deserves a huge audience. It is not only in Parliament that we do not get to debate certain topics that, despite being mainstream, never capture the headlines they deserve.

Sometimes, when we discuss policy, these sorts of issues do not have as high a profile as they should. We are talking about millions of children and adults who cannot communicate effectively. The service that we provide is often a Cinderella service in terms of the demand that it makes of the system, and the way in which the system responds with the money and resources that it receives. Whatever the size of the pot, and we may argue about that, the service does not get its fair share. That is because, for some reason or other, it does not make a loud enough noise, which is why the debate secured by the hon. Gentleman today is vital.

I want to say a couple of things and to raise a particular case that demonstrates some of the problems we have. The project to encourage and help children with their communication, referred to by the hon. Gentleman, is especially important. One of our problems is that sometimes we say, "We need to involve the family," and of course that is important, but in some of those families the parents cannot communicate particularly well. Their vocabulary is limited.

I do not mean any disrespect to anyone and I am not decrying any particular families; I am making a statement of reality about our social situation. Many of us have experience of what we see in schools, and not just in schools: the limited amount of vocabulary that some children have at two, three, four or five, compared with others of the same age, is frankly astonishing. If we talk to some of the parents—do not get me wrong, they are loving parents, who care and so on—again, we find that the communication stimulus that many of us would recognise in our own homes is not there. Such things are important. I think one problem is the talk of involving the parents, which of course is crucial, when the parents have limited vocabulary to provide in support. We need to develop that.

I do not want to make a political point. We know that we are in difficult times and that there are differences between the parties about spending and so on, but I want to raise a particular case in my constituency, that of Dylan Scothern.

Dylan Scothern is six years old and he is autistic. He cannot communicate. The vocabulary he has now is thanks to the work of his loving parents. His mother, Rachel Scothern, has been at the forefront of the campaign about Dylan that I will come to in a moment. With the help of speech and language therapists, Dylan can communicate with about 20 words. Rachel has put something on Facebook in which they do "The wheels on the truck"—no, I mean, "The wheels on the bus go round and round"—he communicates with it better than I do. He has been brought to that point through the speech and language therapists.

Nottingham Community Health NHS Trust says that its funding for Dylan's speech and language therapists will now stop because he has reached six years of age. The trust has changed its policy so that only children of five years and under will get speech and language therapy.

As I said, I do not want to make the issue political. I do not care what the budget is for Nottingham Community Health, because I am going back to the point I made before: why is it that such services are always the first that people look to when making savings? That is the importance of the debate secured by the hon. Member for Blackpool North and Cleveleys. There are easy hits when it comes to cutting money—often it is youth services, rather than services for pensioners—and here we have an example in health. Again, that is an important point made by the hon. Gentleman.

The Minister, who I know will take the issue forward, needs to talk to her colleagues in the Department of Health, because there is a young child at a school—he is going to school—who is having his speech and language therapy taken away, not because of the actions of her Department but because of the actions of the Department of Health through Nottingham Community Health.

The case simply has to be revisited, and I am using the debate to ask the Minister to do so. I know she will not know about the case—I do not expect her to know all the details, but I will write to her with them—but can she raise it with her Department of Health colleagues, Nottingham Community Health and others with responsibility? Can she say that in the debate all of us recognised the importance of speech and language therapy for some of the most difficult young people in terms of their learning challenges, and that it is simply not acceptable to cut speech and language therapy for an autistic child because he has reached the age of six? Frankly, that is not good enough. The policy needs to be changed and looked at again.

[Vernon Coaker]

With that, I shall finish, but going back to the point I made at the beginning. Let the debate be a clarion call not just for the case of Dylan and Rachel Scothern, a family who live in my constituency, but to all of those who provide such services, whether through health or education. We need to recognise their importance and understand that, simply because they are not necessarily front-page news all of the time, they are of fundamental and significant importance to countless families and young people up and down this country. If we mean to provide equal opportunities, we should ensure that those people receive those services, which should not be the first port of call for people with difficult budget decisions to make.

10.25 am

Mr David Amess (Southend West) (Con): I congratulate my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) on how he introduced the debate. I agree with everything he had to say; indeed, I think that I have agreed with everything that everyone has said thus far, so I will not repeat things.

Just as my hon. Friend waxed lyrical about his experiences at school 30 years ago, with the indulgence of hon. Members I shall talk about my experiences at school 50 years ago. There I was, in a class of 56, in the east end of London, and my teacher, Miss Grey, asked my mother to come up to the school. My mother was worried, thinking her son had been disruptive, but the teacher said, "Do you realise that your son is nicknamed Double Dutch?" Apparently, I could not communicate with anyone—my sister used to interpret what I wanted to say to people. I could not make the sounds "st" or "th", I had a bad stutter and for three years my mother walked three and a half miles with me to a speech therapist in West Ham lane—I can now hear the violins playing. For three years, it was, literally, "How now brown cow", which is why I do not have a pure cockney accent. I had old-fashioned braces on my top teeth and on my bottom teeth.

My hon. Friend talked about 30 years ago, but I am talking about 50 years ago and I want to tell the Minister and our Government that all those years ago, in a class of 56 in a challenging part of the country, Miss Grey—to whom, with the speech therapist, I obviously owe everything—could identify me as having those particular problems. Therefore, why is it that in 2010, with all the advances that we rejoice in, I am sitting in the Chamber this morning listening to any number of problems and challenges? I simply want our Government to give children today the same opportunity that I was given all those years ago.

10.27 am

Mr Andrew Smith (Oxford East) (Lab): I join other Members in warmly congratulating the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on securing this important debate. He spoke passionately, clearly from unrivalled personal experience and knowledge, about this important area. I agree with the high-quality contributions we have heard from all parts of the Chamber and I hope that the debate sends a powerful message to the Government about the importance of services in this area.

I want to speak in particular about the special value of the ACE—Aiding Communication in Education—centre to which the hon. Gentleman referred and which is based in my constituency, and of ACE North, which is based in Oldham. The centres provide a unique service for parents and professionals, with joint health and education-based approaches, combining whatever it takes to give children with severe communication difficulties access to communication, education and, thereby, independence.

I have seen at first hand the remarkable—often moving—difference the centres make in children's lives. I took former Labour leader John Smith to the centre once and we were moved almost to tears watching a young girl learning to communicate using assistive technology, opening a world that would otherwise have been closed to her.

The centres provide a level of clinical expertise far beyond what is provided by the statutory services for children with such complex disabilities. Their intervention not only changes lives but saves money in later life. They also save money by preventing cases from reaching tribunals, which may be one of the reasons why some local authorities ask them for assistance.

The centres have a huge loan library of specialist equipment that children and their parents can try before they buy. That saves authorities buying unsuitable, expensive communication devices, which can cost many thousands of pounds and which would, if inappropriately purchased, end up in the school cupboard. The centres also work with the IT sector in a rapidly changing area to develop more effective aids to communication. At the point of use, advice to parents is free and independent, which is a lifeline for families learning to live with and support a child with severe communication difficulties.

The future of the centres and the services they provide is under pressure and under threat, and there are two main reasons for that. One is that the provision of direct funding, which central Government made available through grants and project support, is being shifted to local authorities. We should sound a note of caution to those who, under the mantra of localism, would shift all funding in the direction of local authorities, because highly specialist services can be marginalised and lose out in the process.

The other problem is that although the centres charge local authorities to recoup operation costs, the money is not always forthcoming at the necessary level. Furthermore, charitable donations, which the centres also attract, have decreased considerably due to the tougher competition facing all areas of the third sector in this difficult financial climate.

We therefore face a threat to a vital service. Were that service to go, we would lose something that, since 1984, has given thousands of severely disabled young people a voice and a chance in life. To run down these vital services in the national year of speech, language and communication would clearly be perverse and unacceptable.

Nick Smith: I do not want to make a partisan point, but the previous Government showed great leadership on this topic. They set up the Bercow review, and the then Secretary of State for Children, Schools and Families established the communication champion. Does my right hon. Friend, like me, hope that the new Government

will show the same energy, dedication and enthusiasm as the previous Government in pursuing change on this important topic?

Mr Smith: Yes. I certainly endorse that, although I was not making a party political point, because the shift towards the presumption of local authority funding clearly did not start with the current Administration.

It would be disastrous and a tragedy if we removed the centres, losing their specialist experience and their huge loan library of communication equipment, in a climate where there is technology to help children, but the understanding, guidance and expertise to help them use it is often in desperately short supply. The same is true of the loss of specialist training for teachers and therapists in how to use the technology to support and motivate children in learning and moving towards independence.

The centres therefore face a serious situation, and I ask the Minister for an assurance that central Government sustainability funding for the ACE centres will continue for the full three years, until April 2012. On the centres' service-level agreements with local authorities, what assurances can she give that councils will have, or will be guided to make available, the resources to ensure that the appropriate assessment and help is available in their area to children who need it? Will she look at providing immediate additional support from the sustainability services fund and the transition fund to ensure the future of the ACE centres? I should also be grateful if she could give an assurance that she will meet representatives of the centres to discuss the way forward so that we can save these valuable services.

10.34 am

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I am delighted to serve under your chairmanship, Mr Streeter, and to make my first contribution to a Westminster Hall debate as a shadow Minister.

I congratulate the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on securing this important debate. I compliment him on his well-informed and impassioned speech. Mrs Williams, his speech therapist, taught him not to rush, but to slow down, and a lot of us—especially me—could benefit from following that advice when making our speeches, even given the time constraints. I am delighted that so many Members are in the Chamber to contribute to this important discussion. They have raised many questions, which I hope that the Minister will answer today.

Many Members will know that I have a personal interest in this topic. I did not have speech therapy myself, but my son required it from the age of two and a half. I have put on record the problems we encountered when we moved around the country, and my hon. Friend the Member for Gedling (Vernon Coaker) mentioned a lot of similar issues when he talked about the case of Dylan. My son's speech therapy stopped when he was seven, because we had moved from Gateshead to London, and we were told that speech therapy was not given to children over the age of five. Incidentally, when we moved back to Gateshead, local professionals said, "We know he's 14, but he could really still benefit from speech therapy." Members can imagine how I reacted to that, when he had missed out on seven years of possible speech therapy because of where I lived.

A lot of Members have spoken, and I want to give some quick tributes. My hon. Friend the Member for North West Durham (Pat Glass) gave a very intelligent and thoughtful speech, showing her immense knowledge from a long and successful professional career in the education and SEN sector. She is a true asset to the House, especially on this issue, and the Minister would be wise to pay particular attention to her contributions.

The hon. Member for Mid Dorset and North Poole (Annette Brooke) always speaks with good wisdom and great analysis on SEN matters, and that was evident once again today. My right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke) is a long-standing campaigner on this issue, and I wish that he could have spoken for longer. The hon. Member for Gillingham and Rainham (Rehman Chishti) gave a short, concise, but important contribution.

My hon. Friend the Member for Gedling gave a very knowledgeable speech, as we would expect, and raised the important case of Dylan in his constituency. I hope that the fact that he has done so will lead to a change in Dylan's situation. The hon. Member for Southend West (Mr Amess) and my right hon. Friend the Member for Oxford East (Mr Smith) also made excellent contributions.

I regret that I was unable to attend the reception in the Commons a couple of weeks ago to mark the launch of "Hello", the national year of speech, language and communication, which ties in with this debate, but I look forward to hearing what is planned for 2011. If the Minister can give an assurance that departmental funding for that important initiative will survive the cuts that the Chancellor chose to make, it will signify a commendable commitment to the campaign.

The national year is, of course, one of the 40 recommendations of the Bercow review, an excellent and thorough piece of work, which was welcomed by everyone on both sides of the House. No one was more receptive to those recommendations than the former Secretary of State for Children, Schools and Families, my right hon. Friend the Member for Morley and Outwood (Ed Balls). Together with the Health Secretary at the time, he published an action plan and pledged £12 million to ensure that all the Bercow recommendations were put in place.

It is important to pay tribute to that commitment, as well as to the work of Mr Speaker, who will be keeping a keen eye on the debate. I am sure that commitment is shared by the Minister, and the debate gives her a good opportunity to give us an update on what progress has been made since the election on carrying on the good work that has been done.

The Government have, of course, recently consulted on an SEN and disability Green Paper, and I certainly look forward to reading the responses to it and scrutinising the conclusions that the Minister draws from them. One concern that has been raised with me is that work on the Green Paper is going on while the education and health systems are going through fundamental changes. I hope that the Minister will be able to confirm today that she meets Department of Health Ministers regularly to ensure that when children need support from NHS professionals, as is the case with the children we are discussing, the Government's reforms will not have a negative impact on the provision of such support.

[Mrs Sharon Hodgson]

In that respect, my main concern is that the Green Paper should focus purely on improving services for young people with differing needs and not on reducing the money spent on such improvements. There is real concern in the sector that the results of the comprehensive spending review will force the Minister to do just that. If she could confirm that the funds for statemented children with speech, language and communication difficulties and other needs will be entirely on top of any pupil premium funding that they may attract, I think a lot of people's fears will be put to rest.

When we include in the equation significant cuts to local government budgets, and the wholesale restructuring of the NHS, which employs the vast majority of the professionals such as Mrs Williams who help children with communication difficulties, we are left with inevitable pressure on funding for supporting those children—unless the Minister can tell us otherwise this morning. I look forward to her speech.

Concerns have also been raised, especially by the National Deaf Children's Society, that budget cuts to existing Building Schools for the Future projects will mean that new facilities do not meet the standards set for acoustics. I would welcome comments from the Minister on how those effects can be mitigated.

The hon. Member for Blackpool North and Cleveleys described in his maiden speech how without speech therapy at an early age he might never have had the ability to be in the Chamber talking to us. He is a great example of early intervention reaping huge dividends. I am sure that if Mrs Williams is watching today she will be enormously proud of her work—and his.

One of the better things to be announced in connection with the CSR was that the Government are to go ahead with Labour's plan of extending free nursery places to disadvantaged two-year-olds. Although I am slightly dubious about whether enough money has been committed to achieve that, I hope that doing so will present an opportunity for earlier identification of more children with speech, language and communication needs. Earlier intervention is important in tackling the problems that those difficulties can lead to later in the child's school career. In some deprived areas, as we have already heard, 50% of children begin school with language delay already obvious. As they get older about two thirds of them will have behavioural problems. Because they are often not recognised as having difficulties that may be causing their behaviour, it leads to exclusion and the problems that go with that. It is no surprise, then, that well over half—probably more like two thirds—of young offenders are said to have those difficulties. With early intervention, I am confident that those depressing figures could be reduced, and I shall welcome any measures set out in the Green Paper to that effect.

I believe that the Government are committed to universal screening for two and five-year-olds, and I would be interested to hear from the Minister how that will be implemented. If we are to have early intervention, it will of course require funding for the extra cases that it brings to light. Training all teachers to spot risk factors at all stages of a child's school life will require yet more funding. Again, I am not sure where all that funding will come from, and I think that pretty much takes my remarks full circle.

I think that hon. Members who have taken part in the debate are in unanimous agreement that action is needed to ensure that children get the right support. I am sure that the Minister shares that view. I realise that much of what constitutes future Government policy on speech and language therapy will rest on the outcome of the consultation for the Green Paper, so she may not be able to give too much away today; but I hope she can offer some reassurance to Members, as well as to the many parents, professionals and their advocates who will have a keen interest in this debate, that providing the best possible facilities and support for children and young people with speech, language and communication difficulties, as well as other special educational needs, will be a matter of principle and not of price.

10.43 am

The Minister of State, Department for Education (Sarah Teather): I congratulate the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on securing the debate. I know how committed he is to the issue, and I could not help but hope, as I listened to his speech, that Mrs Williams was beaming with pride, and watching the debate. Similarly I hoped, when my hon. Friend the Member for Southend West (Mr Amess) was speaking, that Miss Grey could hear his tribute to her help.

Mr Amess: I think she is dead.

Sarah Teather: Perhaps she is listening from another place—if that is not to misuse parliamentary terminology.

I am hugely grateful to the hon. Member for Blackpool North and Cleveleys for securing the debate, and for speaking so knowledgeably and passionately. I was fortunate enough to attend a round-table meeting that he organised a few weeks ago on speech, language and communication needs. He is aware that I share his ambition. His expertise and the way he has campaigned on the issue since coming into Parliament is something that the sector recognises and is grateful for. The Government are grateful too.

The debate has come at an opportune moment because, as hon. Members will know—and as several hon. Members pointed out—several policy areas are in the process of being changed and developed. Consultation has just closed on the NHS White Paper, and we are drawing together White Papers on schools and on public health. The process in which I am personally involved is the production of a Green Paper on special educational needs and disability. Despite the suggestion that that might be a risk, I hope it may be seen as an opportunity. A key theme raised today was that of getting different services—local authorities, education and health—to work together. If everything is changed at the same time there is a much better chance of making sure that the elements of the new system will work closely together. Perhaps it is flippant of me to say so, but if Liberal Democrats and Conservatives can be got to co-operate in government, it cannot be beyond the wit of man to get health and education to work together.

In the past few months I have engaged in a series of small events and round-table meetings with the sector. I hope that hon. Members will not mind if I treat the debate as part of the Green Paper process. I shall do my best to respond to as many as possible of the issues that

have been raised, but I shall not get to everyone. However, I shall pass on to the Department of Health the questions that have been raised, or make sure that they form part of our process of forming the Green Paper.

There were many knowledgeable speeches, including those by my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke), who has spoken on the issue over a long period; the hon. Member for North West Durham (Pat Glass), a new Member, to whom I always enjoy listening, and who speaks passionately on the subject; and the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke), who has campaigned on the issue for many years. I was particularly grateful, because those hon. Members have a long-standing interest in what we are debating.

Speech, language and communication skills are the bedrock of learning. If someone cannot communicate their needs, those needs are unlikely to be met. If they cannot explain what they do not understand, their questions are unlikely to be answered. If someone cannot tell another person how they feel, that person cannot help them; and it will probably be a struggle to make friends. Children with speech, language and communication needs can have a lonely childhood and a poor education, and it is no wonder that many go on to develop behavioural difficulties or that they are misdiagnosed.

As many hon. Members have said, the range of problems is huge, from speech delay to intractable and chronic problems that require intensive intervention. Speech, language and communication issues may occur alone or co-exist with other special educational needs or social disadvantage. The hon. Member for North West Durham focused on that overlap with social disadvantage, and I want to touch on it shortly.

Speech therapy and other services, allied to good teaching, are vital for children and young people with the difficulties in question, to help them learn and get the most out of life. There has been significant progress, and the Green Paper will build on the work that the previous Government did, not rip it up and start again. I recognise that, particularly in the matter of speech, language and communication needs, progress was made. I pay tribute to the part that Mr Speaker played in raising the profile of the issue. The Bercow review comprehensively mapped out the challenges in policy, and since then much progress has been made in accomplishing the action plan.

We are of course about to begin the first national year of speech, language and communication, and I congratulate the Communication Trust and the communication champion Jean Gross on their work to promote better information for professionals and parents. Raising awareness of speech, language and communication needs is the theme of the trust's work and the "Hello" campaign that the hon. Member for Washington and Sunderland West (Mrs Hodgson) mentioned. If we are to make the best use of the expertise that we have in speech and language therapy, and in other matters, we must get much better at picking up problems earlier and putting in place the right package of support.

Several hon. Members mentioned the fact that more than 60% of young offenders have speech, language and communication difficulties. That is a shocking statistic and a clear reminder, if we should need any more, of the importance of intervening early to prevent problems later.

Pat Glass: The Minister spoke about early intervention, which has huge support. However, we are hearing fairly reliable but worrying reports that the much-trumpeted pupil premium will not be paid for children under the age of five. Will the Minister confirm that it will be paid for all children in education from the age of two, and not be restricted to those over the age of five?

Sarah Teather: The hon. Lady will be aware that the consultation closed just before the comprehensive spending review. We will be making a much more detailed announcement on the pupil premium shortly, but we want to ensure that local authorities know much more about the scheme when they get their settlement.

I was about to speak about some of the issues raised by the hon. Lady in her speech. Early identification is vital for the child and the family; as she said, it will reduce costly interventions later. It is essential that more timely referrals are made to specialist services. That is why I asked Dame Claire Tickell, who is leading a review on the early years foundation stage, to look specifically at how to improve early identification of such problems by the EYFS. She is leading the process at the moment, and she will soon be reporting her findings to the Government.

For the same reason, we have extended the two-year-old offer to significantly more disadvantaged young children. About 130,000 disadvantaged two-year-olds will benefit from 15 hours of early education a week. That point was raised by a number of Members. Indeed, the hon. Member for Gedling (Vernon Coaker) said that children often arrive at nursery without the required language skills because they have not been exposed to language in the usual way. Offering high-quality early education is vital in giving those children the chance to pick up those skills.

The hon. Member for Gillingham and Rainham (Rehman Chishti) spoke about Sure Start centres. Many already provide speech and language therapy, but more use of such evidence-based programmes is definitely part of the reform programme that the Government want to institute. The Under-Secretary of State for Health, my hon. Friend the Member for Guildford (Anne Milton), who is responsible for public health, recently confirmed the Government's intention during this Parliament to recruit and train 4,200 health visitors. Health visitors will be key in picking up on speech delay in very young children, ensuring that they are referred to the appropriate services, including Sure Start centres.

Mr Robert Buckland (South Swindon) (Con) *rose—*

Nick Smith *rose—*

Sarah Teather: I shall give way first to my hon. Friend the Member for South Swindon (Mr Buckland).

Mr Buckland: I am grateful that my hon. Friend made that point about health visitors. As we know, they carry out a uniform hearing test for very young children. It seems to me and many others that we should be training health visitors to take that sort of approach for speech, language and communication difficulties.

Sarah Teather: Health visitors are the key to picking up problems in the early years and making appropriate referrals. Some really interesting projects have been undertaken in Manchester, using community-based budgets; they linked health and education, realising that many

[Sarah Teather]

children who fall behind when they get to nursery school have often missed health checks. Ways of sharing that data are important.

Nick Smith: I thank the Minister for giving way. I thank her also for confirming that the Government will not rip up plans introduced by the previous Government to take forward this important agenda. However, some of us are concerned that the new commissioning agenda for the national health service might mean that specialist services for speech and language therapy will not be commissioned by GP consortiums. Will the Minister confirm that special efforts will be made to ensure that GP consortiums are fully aware of this important service and that they continue to make it available?

Sarah Teather: I shall turn to commissioning in a moment. First, I want to say something about the school work force, a theme that was developed during the debate. It is vital that teachers and other members of the children's work force have access to information, and that they have the opportunity for professional development in supporting children with special educational needs. Those on the front line are often the first to pick up problems, and they are vital in implementing whatever is suggested by the specialists.

One Member—I noted the point but not who raised it—spoke about the need for speech and language therapy to be well integrated into what happens in school. There are some good examples of that. Indeed, it is the kind of good practice that we want to build on through the Green Paper, with speech and language therapists training teachers to ensure that the therapists' work continues in the classroom once the specialist help is over. That is vital. Progress has been made in recent years with the development of dedicated resources for teacher trainers and trainees, with specialist professional development for special educational needs co-ordinators and with online training material for school staff on a range of special educational needs, including specific materials on speech, language and communication needs for teachers and other staff.

Alun Cairns: I am grateful to the Minister for giving way. The shortage of speech and language therapists for many schools means that when the need for specialist help arises it is not necessarily there. Often, only speech and language therapists themselves can deliver the necessary support, rather than the problem being passed on to the teacher every time.

Sarah Teather: We need a mix; that is why I said that speech and language therapists can often offer good professional advice to teachers, who are then able to do some of that work during the week. The number of speech and language therapists is rising consistently. The question of whether we have enough depends on commissioning, and the way in which those therapists are employed. The White Paper on schools and the special educational needs Green Paper will set out plans for developing the knowledge, understanding and skills of the children's work force and will specifically address continuing professional development.

A number of Members asked about commissioning. I realise that we need to be much better at integrating the commissioning of services for children with special educational needs, as in many other areas. As I said earlier, I hope that the rapid change experienced in many areas will provide us with the opportunity to do much better. We are creating more diverse school systems with more freedom for schools to innovate; and the NHS White Paper focuses on creating locally based opportunities to improve patient care.

Improving outcomes is exactly what Mr Speaker wanted to achieve for children with such difficulties through his review. The challenge is to design future arrangements that work much better together and that focus specifically on the needs of children and families. I am working closely with colleagues at the Department of Health on all these matters. I am determined to ensure that we are better able to streamline the assessment process.

Vernon Coaker *rose—*

Sarah Teather: Only three minutes remain, and people are already arriving for the next debate. I still have five pages of notes, so I shall end up rushing.

The hon. Member for Gedling mentioned a constituent of his, and I will ensure that excerpts from his speech are passed to Ministers at the Department of Health so that the matter is drawn to their attention. Things falling between Departments is exactly what we want to address in the Green Paper.

There are a couple of other points that I shall not manage to answer, but the hon. Member for North West Durham raised the question of the differences in commissioning for high need with low incidence and low need with high incidence. I know that the Department of Health is aware of the communication champion's views on commissioning, and those views will be taken into account in designing the system.

I shall finish with a few words about the Green Paper.

Mr Andrew Smith: Will the Minister give way on ACE centres?

Sarah Teather: On that subject, my Department is considering the best way to secure support for children who require augmentative and alternative communication with colleagues in the Department of Health following the spending review. I hope that the right hon. Gentleman will understand that I am not able to give much detail on those commitments, because there is much yet to do.

I have one minute left, which is not enough time to say all that I want about the Green Paper. We have a real resource of knowledge in Parliament, and many Members have a real passion about the subject. The Green Paper is part of a consultation process, so I hope that right hon. and hon. Members will feel able to use their knowledge and expertise and get involved. I shall try to find ways to involve parliamentarians with such expertise; I am well aware of how much experience Members of Parliament have, both personally and in their campaigning role. I look forward to debating these issues again with those who are here today.

Consular Services

11 am

Tom Brake (Carshalton and Wallington) (LD): I welcome the opportunity to hold this debate. I would like to start by reporting my personal experience of a number of harrowing or complex cases, such as that of Mr Khadum al Sarraj—an Iraqi national married to a British citizen, Shereen Nasser—who was detained at Camp Cropper in Baghdad. He was fortunately released eventually, and is now safe in the UK. There are also the cases of Mr El Mahdy, who is currently detained in a police station in Qatar; Mr Neil Juwaheer, who died in suspicious circumstances in a police cell in Brazil; and Robbie Hughes, who was very badly beaten in an attack in Malia in Crete. I want to dwell on the last two cases at some length.

The death, serious injury or detention of a loved one abroad can be the most traumatic experience anyone is likely to face in a lifetime. It is easy to see why. One is stranded in a foreign country with all the language barriers that brings, the cultural barriers, the different legal systems, often dwindling financial resources and corruption in the legal service of the country or within the police. It is clear why it can be a devastating experience for a family. I would like to consider two cases in some depth.

First, there is the case of Neil Juwaheer. My constituents, the Juwaheers, live in Carshalton, and their son, Neil, died in suspicious circumstances while in police custody in Brazil. The Brazilian tourist police report included a statement that a torn package of drug powder was found in his body—and that caused the death by chemical intoxication—a claim that is disputed by the family and by an autopsy that they had carried out. They allege that their son was in fact restrained in a cruel and barbaric way by strapping him up with antenna wire, and was beaten, and that was what probably caused his death while in detention in Brazil.

I first raised the matter with the Brazil desk of the Foreign and Commonwealth Office in 2007. At that point I raised concerns about the family's inability to get closure on their son's death, because the process in Brazil is so slow. I tried to identify what further the FCO might be able to do to support the family. Kim Howells, the then Minister, set out in his response in October 2007 what the FCO had been able to do—the consul had assisted the family when they made a visit to Brazil—and confirmed that the Brazilian police were continuing their investigation, though that would take time. He added that the British Government will only consider intervention if the investigation takes longer than the norm for a Brazilian national. I will shortly come back to that point. Mr Juwaheer was provided with a list of English-speaking lawyers, and it was suggested that he should seek legal advice in Brazil and consider appointing a lawyer, which he then did.

I followed that up with a further letter to the then Foreign Secretary, the right hon. Member for South Shields (David Miliband), in February 2008. I set out again the alleged circumstances of the death, explained that Mr Juwaheer had followed the FCO advice, in getting in touch with and securing the assistance of a lawyer in Brazil. I went on to set out why I thought there were reasons for the FCO to get involved in the case. It was not just a routine case as far as the Brazilian police or judicial system were concerned. I set out the concerns that we had about some aspects of the case. For instance, the head of the Brazilian CID, who was investigating the case, had been suspended, and it was alleged that he had been responsible for the deaths of other people. Two autopsies were deemed inconclusive, although miraculously, later, the alleged package that was supposed to contain drugs materialised after the autopsies had been completed. There were allegations that Mr Juwaheer, when he died, was foaming at the mouth, but that can be a symptom of asthma, not drug abuse. If it was suggested that he had been having a seizure, why was he not sent to hospital, as opposed to being detained at the police station? Why was he inappropriately and tightly wrapped up in antenna wire, leaving severe marks on his body which showed up in the autopsy? The autopsy that the family had carried out suggested that he had been beaten and had died. There was some difference of opinion between the autopsies about whether he died a violent death or from an overdose. Clearly, there were a large number of suspicious circumstances that surrounded this death. Even for the Brazilian police and legal system, this must have been an atypical case.

I again took it up with the FCO and, I am afraid to say, simply got a letter repeating the content of a previous reply, setting out that the FCO could do nothing because the case was being dealt with in the way that the Brazilian legal system would deal with it. I want to come back to the question about the British Government only considering intervention if the investigation takes longer than the norm for a Brazilian national. I do not know whether the Minister, when he replies, will be able to set out what he thinks the norm is in relation to a case involving a Brazilian national. One could argue that if the norm for a Brazilian case was to take 20 years, perhaps the FCO would still feel duty bound to get involved to some extent, because I think we would all want to support intervention in cases where a legal system has either clearly failed or is dragged out to such an extent that it is clear that nobody is going to get justice at the end of the process.

The second case I would like to refer to is that of Robbie Hughes. The matter is subject to a court case in Crete at the moment, so I will be careful what I say. The facts are known of what happened and are widely documented. He was seriously injured during an attack in Malia in Crete. It is alleged that his attackers may have been British tourists. His mother is a constituent of mine and made contact with me while she was out there, after she had flown out to Greece to support him. She encountered all the problems that the Juwaheer family had encountered, in terms of trying to overcome the language barrier, dealing the Greek police, dealing with a hospital environment, of which frankly British tourists need to be aware. If they are going to Greece, they need to make some insurance preparations, because if they end up in a Greek national health service facility they are going to be rather shocked by what they find. Certainly, Maggie Hughes was incredibly shocked by what she found and the level of care that was being provided to her son. As a result of what happened to Robbie, she has set up an organisation called Please Enjoy, Don't Destroy, and is campaigning on these issues.

[Tom Brake]

In defence of the FCO staff, Maggie Hughes said they were as helpful as possible. However, they were grossly overstretched and had six people who were trying to cover all of the Greek islands. If you imagine what the Greek islands are like in the summer with hundreds of thousands of Brits over there holidaying, six people to cover that area is not sufficient. What that meant was that the FCO was ringing my constituent Maggie Hughes and saying, in effect, "We are aware of a British family; something dreadful has happened to their son or daughter. Would you be willing to make contact with them and help them and provide support?" She did not object to that; she was happy to do it; she had been through that experience. However, one has to question whether it is entirely appropriate for the FCO to call on British residents when they are abroad to seek their support for British citizens who have either been injured or seriously affected by an incident abroad.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I congratulate the hon. Gentleman on securing this important debate today. Two weeks ago at Prime Minister's questions, I had the opportunity to raise with the Prime Minister the case of Gary Dunne from my constituency, who was murdered in Spain. The Prime Minister kindly agreed to meet Gary's parents, Steve and Lesley, who have been campaigning on issues arising from that experience in a very similar fashion to the constituents whom the hon. Gentleman mentioned.

One aspect of the Dunnes' experience in Spain was precisely the lack of efficiency in the consular response in dealing with the family following Gary's murder. So I congratulate the hon. Gentleman on securing this debate and I hope that, when the Minister responds, there will be reference to the need for greater efficiency and speed in dealing with cases such as those described by the hon. Gentleman and that of my former constituent, Gary Dunne.

Tom Brake: I am very grateful to the hon. Gentleman for his intervention. As he confirmed, he is simply seeking to reinforce these points about what support can be given to families. I think that we would agree that the type of support that we are talking about is not the FCO and consular staff getting involved to help someone when they have lost their passport. These are cases in which someone has been murdered or perhaps seriously injured as a result of a car accident, an attack or something else of that nature. So we are talking about a relatively small group of people and not about each and every British citizen who encounters some difficulty while they are abroad.

My involvement with Maggie and Robbie Hughes led to Maggie and me holding a meeting in Parliament at the end of last year. I have a copy of the report that was produced after that meeting, which I will hand to the Minister at the end of this debate. The report just sums up the recommendations we made at the end of that meeting. There should be a copy of the report within the FCO already, because Julian Braithwaite, the director of consular services, attended that meeting, and I am sure that he was sent a copy of the report afterwards. However, I will give the Minister another copy so that he has it to hand in case the first one has been mislaid.

So what do we suggest should be done? First, let me say that I am not the only one making these suggestions, nor is it just the hon. Member for Liverpool, West Derby (Stephen Twigg), who just intervened on me, and nor is it just Maggie Hughes and Mrs Juwaheer. Organisations such as Support After Murder and Manslaughter Abroad and indeed the National Policing Improvement Agency also support the recommendations made in the report. We came up with many of them after that meeting, which was with families who have been affected by either the murder or the involvement in a serious accident of a loved one abroad.

I will outline those recommendations. First, the FCO needs to provide more information about the services that it offers. I am pleased that, following Maggie's intervention, the FCO website has been improved in terms of the level of information that it provides. Secondly, the FCO needs to provide more help in getting family members to wherever their loved ones are abroad. Occasionally, the family involved will have difficulty in physically getting to the place where the incident occurred.

Thirdly, the FCO should help to report crime to the local police and obtain police reports. That was clearly a big issue for some families who attended the meeting, because the police that they had dealt with were refusing to accept that a crime had been committed. Fourthly, the FCO should intervene if no police action is forthcoming. Fifthly, the FCO should challenge police corruption. Sixthly, the FCO should be able to provide information and assistance in serious cases, and I think that that is perhaps the crunch point. We are talking about the relatively small number of people who experience a real tragedy abroad. Furthermore, I would add to that recommendation in our report that there should be an agreed level of service, clearly setting out what different Departments and agencies are responsible for.

I acknowledge that by restricting this type of support to people involved in the most serious cases there will be other people on the margins who will perhaps feel let down by the FCO, even if the FCO makes the improvements that we suggest. Nevertheless, we have got to be realistic about what is achievable, particularly in the present climate. Therefore, I am afraid that there will be families who will miss out, even though they may feel—perhaps rightly—that their cases were as serious as some of the other cases that we have referred to.

Seventhly, the FCO should provide a translation service, or know where such a service can be secured. Simply providing a list of lawyers or a list of translators is not actually the same as providing access to a legal or translation service. Eighthly, the FCO should strengthen or resurrect a network of honorary consuls able to provide local knowledge to support victims and their families at a time of crisis.

Coincidentally, because our meeting was principally about Greece—that was not our intention, but the families who came had principally experienced some tragedy in Greece—there are a number of recommendations about how the Greek police and authorities should work together with the British police. However, I think that those recommendations are applicable to whichever country we are talking about.

So, the report made a strong recommendation that a victim's family member should attend any joint meetings between Greek and UK police, or between other Greek

and UK authorities, so that the family member can provide some insight about what it actually means to a family when such an incident occurs.

There is one other aspect that is clearly not relevant to the Juwaheer case but is very relevant to what happens in places such as Malia in Crete. It relates to what the FCO can do with tour operators, and I know that the previous Minister in the last Government who I dealt with, Kim Howells, worked hard on this issue. The FCO should work with the tour operators to establish what more they can do to try to ensure that the people who are going abroad to have a happy time actually have a happy time and do not end up very seriously injured as a result of binge drinking. Even now, Maggie Hughes, who has been out to Greece on a regular basis, is still hearing of or even overhearing tour operators or tour reps encouraging people to visit Greece, by saying, "Go there, it's really cheap and you can get completely blotto for next to nothing." We need to clamp down on the tour operators and ensure that they understand that they have a real responsibility to tackle binge drinking and certainly should not be promoting it, as some of them still appear to be doing.

Also, there may be more work that tour operators can do in relation to insurance, because even if British people are travelling to EU countries the level of care that they will receive in some hospitals in those countries can be absolutely dire, and if they do not have the right level of insurance they will have a really nasty shock if they turn up at one of those hospitals.

Since we produced that report last year, I know that Victim Support has set up a national homicide service, which was started under the previous Government. That service provides one-to-one support for families who have been affected by murder or manslaughter. I wonder what progress has been made on that initiative, and I also wonder whether it applies to victims of murder or manslaughter abroad and not just to victims of murder or manslaughter in the UK.

Before I conclude, there is another issue that I want to bring to the Minister's attention. More information needs to be made available about the fact that legal aid is available to UK citizens in EU countries. That legal aid is not always going to be as much as one would like, but it is available and people need to know that it is available because at the moment they do not.

To conclude, I just want to say that it cannot be right that—as the recently departed Brazilian ambassador to the UK, Carlos Augusto Santos-Neves, said—there are 22 British embassy staff in Brazil working on climate change and none of them is helping to support people such as the Juwaheers. Equally, as I said earlier, there are only six British diplomatic staff covering the Greek islands, which meant that my constituent, Maggie Hughes, had to intervene to provide support to other British families.

I know that the FCO is working within a tight budget, but I hope that the Minister will be able to provide some comfort to the Juwaheer family, the Hughes family and the hundreds of other families represented by organisations such as SAMM Abroad that in future the support that such families will receive will be more timely, more effective and more comprehensive at their time of greatest need than many families have experienced in the past.

11.18 am

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): This is the first time that I have replied to a Westminster Hall debate, or indeed any debate, as a Minister, and it is a pleasure and a privilege for me to do so under your chairmanship, Mr. Streeter. I also pay tribute to my hon. Friend the Member for Carshalton and Wallington (Tom Brake), not only for securing this opportunity to discuss an important topic but for his ongoing vigilance and interest with regard to what is an extremely important matter. It is obviously extremely important for the individuals concerned, but it is also extremely important for us all more generally in policy terms.

I am also grateful to my hon. Friend for holding a meeting in December last year for the victims of crime abroad, which he mentioned in his speech. I take note of both the cases that he specifically raised, as well as the case that was raised by the hon. Member for Liverpool, West Derby (Stephen Twigg). When we are discussing such cases, we should always remember that they involve real people and that they are very harrowing cases that have transformed for ever the lives of the individuals concerned and their immediate families. We do remember that they are not statistics but people whom we want to help.

I have read about and take an interest in the cases of Robert Hughes, who was seriously injured in a life-changing way in an attack in Greece in 2008, and of Neil Juwaheer, who died in police custody in Brazil in 2007. In the latter case, I note that the legal processes following the Brazilian authorities' investigation into the death continue, and in the former case, that of Robbie Hughes, there is still a court case pending.

We are keen to try to help and be of assistance, because it is the right thing to do, but also because of the reasons given by my hon. Friend. It is particularly difficult and harrowing for people who are involved in such cases, normally completely unexpectedly and in circumstances with which they are not familiar. They may not speak the language, they may be shocked by the medical facilities that are available and they may not understand the legal system. There is a duty on us to try to assist people in harrowing circumstances as much as we possibly can.

So that people can understand the context, I should say that the number of Britons travelling abroad is significant. I visited our consular operation in Bangkok recently. Almost 1 million British visitors go to Thailand every year. Of course, in the vast majority of cases, their time there is incident-free, and they have no dealings with our consular authorities. Many of the cases of those who do have dealings with them are relatively trivial, such as cases involving lost passports, although they still take up consular time and effort. Sometimes the individual concerned may not regard their case as trivial, even though others may when looking at it more objectively.

My Department is keen to try to do as much as it can to prevent people from getting into difficulty in the first place. The case for insurance cover was well made. It is surprising how many British nationals travel abroad without insurance cover. In most cases, of course, they get away with it, but when they do not, they regret it for a long time to come, so we are trying to provide better

[Mr Jeremy Browne]

information on the Foreign Office website. We do specific work when a large number of people go abroad for a particular event; for example, we try to anticipate problems in those circumstances, and we try to educate people better about how they can guard against difficulties abroad.

We have high expectations of our consular staff who operate in countries where circumstances can be difficult, and we want them to be able to assist where they can to obtain relevant information from the country's authorities. However, it is important to stress what they cannot do, because sometimes the expectation is that consular staff will be multi-purpose police investigators, lawyers and medical staff. That is not a level of service that we are realistically able to achieve.

It is worth sharing briefly with hon. Members what the consular department of the Foreign Office is trying to do at present. A new consular strategy for 2010-13 was launched in June. It sets the direction for consular work for the next three years and has three focal points. The first is on services that only we can provide, and is based on research and consultation with British citizens who have told us what they particularly value. Customer feedback has been obtained, particularly from British nationals who have been affected by the worst incidents or crimes overseas, and it is central to our decision-making processes. We are keen to try to concentrate as much time and resource as possible on the people who need help the most.

We want to invest more in the people who work for us, to ensure that they maintain the highest levels of professionalism. There is compulsory training, including for our honorary consuls, to whom I pay tribute this morning. Many of them do a large amount of work, particularly during seasons that are busy times of the year for British travellers, for virtually no personal financial compensation at all.

We also want to strengthen our global network because, although there are areas that British people travel to in great numbers—my hon. Friend mentioned Greece, and I mentioned Thailand—there are, of course, British citizens in every country of the world who require our assistance. Therefore, we need a global network to try to ensure that we are able to provide assistance wherever it is needed.

I want to say something that goes a bit beyond that. I have the relative advantage of still being a new Minister, so I can look at services with a fairly objective and dispassionate eye. What impresses me about the consular service is the level of professionalism and how comprehensive it is, certainly on a global scale. Few countries would even aspire to replicate what we do to help British nationals who require our assistance in far-flung parts of the world.

However, I think we can do more when people find themselves, not necessarily through any fault of their own, in particularly harrowing and difficult circumstances. This is where I particularly agree with my hon. Friend, who was right to make the point that such cases are relatively few. Millions of British people travel abroad, and hundreds of thousands of them need minor assistance of one kind or another, but the number of people who need help in really difficult circumstances is relatively small. For example, about 50 to 60 British nationals abroad are murdered each year. In the grand scheme of things, that is a relatively small number—roughly one a week, on average. We could look at providing a better and more comprehensive service for people in particularly difficult circumstances.

I had a meeting last month with members of the group that my hon. Friend mentioned, Support After Murder and Manslaughter Abroad, and discussed with them their experiences and ideas, and I have had several detailed conversations with officials in the Department about how we can provide a service charter that is more comprehensive in terms of the services that British nationals can expect. However, there are some challenges. It is not necessarily quite as straightforward as it might appear on first inspection.

Tom Brake: Has the Minister had any thoughts yet about what components there might be in a better and more comprehensive service?

Mr Browne: Let me come to that in a moment. I will answer the question.

Challenges include the legal systems in the countries that people visit. I sometimes turn this on its head and ask whether we would expect a foreign national in Britain to receive treatment in the British court system or a British prison that is different from that enjoyed by British nationals, and by and large people say that we would not. That same constraint is imposed on us when British nationals are abroad. There are resource constraints—there always are in Government—and there are some specifics.

For example, let us look at the two cases that my hon. Friend raised. I spoke specifically about what more we can do to help murder victims and their families, but the person in the first case was not murdered. Robert Hughes was seriously injured but not murdered, so he would not fall under that narrow classification. In the second case, the Brazilian authorities do not consider Neil Juwaheer to have been a victim of crime, so under a strict legal classification, he would not come under that category either. There are many cases that are extremely harrowing and difficult. If one were to try to impose narrow criteria, the danger is that we would roll out a service with great fanfare that looks good but then get many specific instances that do not fall within its scope.

I hope that we will provide a more comprehensive service that gives people a clear expectation of the assistance that they can have, and that that assistance is more direct and more hands-on than it has been in the past. I will announce more specific details when I am in a position to do so.

I would be more than grateful to have representations from my hon. Friend and from the hon. Member for Liverpool, West Derby, about how, within the budget that the Foreign Office has for consular services, we can focus our resources better so that people who find themselves in great difficulty and harrowing circumstances, and their families, can be confident that they will get the best possible service from our Government.

11.29 am

Sitting suspended.

Higher Education

2.30 pm

Mr David Lammy (Tottenham) (Lab): I am grateful for this opportunity to continue a hugely important debate. The decision taken by the Government today is of historic importance to this country, for two reasons. First, the decision to treble fees for this country's young people could have a huge impact on participation in higher education. Secondly—this has been covered less, but is as important—the decision to withdraw state funding from a large part of the curriculum, namely arts and humanities subjects such as geography, history and politics, has huge implications for our democracy. We are a liberal democracy committed to the liberal arts, and today's decision is to abandon that solely to private income. This is an important day, and I will be talking specifically about participation.

I am pleased to see the Minister in his seat. We have had many years of debates on education matters in this House. I know that he is committed, from his perspective, to participation. We understand the subject, but we do not always agree on the means, and I suspect that we will disagree today. However, I remind him that in 2004, he described tuition fees as

"flagrant, appalling and an abuse". [*Official Report*, 26 February 2004; Vol. 418, c.503.]

That was his position as he voted against them. Can he really defend tripling fees to £9,000? I am pleased that so many colleagues from across the House have joined me today.

Mr Rob Wilson (Reading East) (Con): I congratulate the right hon. Gentleman on securing this debate on an important subject. I know that he was in the Chamber this afternoon; does he agree that there is a third historic element to the settlement? Does he recognise the positive impact that proper funding for part-time students will have on the participation of disadvantaged groups in universities?

Mr Lammy: I am grateful to the hon. Gentleman for putting that decision on record. The last Government, of course, made progress on funding part-time students, but when we set up the Browne review, it was essential that part-time students were given the same arrangements as full-time students, and that has been achieved. That is the silver lining in the Government's response today. However, it cannot be right that one group of students, of the sort that come from my constituency, should be encouraged to attend part-time courses at newer universities while another group of students, who can afford fees and are not put off by higher education, attend our more elite, select universities. I will go into the detail over the months.

I hope that we can all agree that it is morally right that university education be made available to all those who wish to take advantage of it. I know that that is true. University brought me, a young black man, from the shadows of Broadwater Farm estate in my constituency to the House of Commons. I want the same opportunities for all young people, regardless of their background.

The Labour Government inherited a higher education system that was the preserve of the rich and privileged. It was not a system in which university education was made available to all those who wished to take advantage of it, which is why we created the Office for Fair Access to monitor and analyse admission and participation and ensure that we increased the opportunities available to all students. It is also why, in 2004, we set up the Aimhigher programme, a national comprehensive programme working across constituencies as different as Cumbria, Liverpool and mine to encourage partnerships and access to higher education.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): My right hon. Friend correctly said earlier that all those who could benefit from higher education should have access to it, but there is a further point. Society as a whole benefits from a highly educated population. There is obviously an issue about personal fairness, but the bigger issue for us as Members of Parliament is what is right for us as an economy, and what is right for us as an economy is that everyone who can benefit should have access to higher education. That is what gives us growth and makes us a strong country.

Mr Lammy: My hon. Friend is exactly right. That is why France, Germany, America and other countries throughout the developed world have a huge commitment to higher education and are increasing funding, not decreasing it. There is a drive to give more of the population the higher-level skills that come from higher education. The Government's decision is crucial to the future of this country. We commissioned the National Council for Educational Excellence to encourage schools and universities to work better together to raise aspirations and achievement.

We do not say that schools in this country are only about driving young people to get GCSEs or A-levels. It is about outcomes, and one of the most important pathways to a better outcome for individuals and society as a whole is attendance at university. By the year we left office, £580 million was being spent annually on broadening access to higher education and widening its reach to poorer families across this country.

The number of entrants to higher education increased by 44% between 1999 and 2009. Since 2004, participation among the poorest 20% of the country has increased by 32%, compared with a rise of 20% among the richest. Our policies raised aspiration among people who had never before seen the path to university as being for them. Schemes such as Aimhigher broke cycles of poverty and underachievement that had existed in families for many generations. The proportion of university places taken by ethnic minority students increased from 13% in 1994 to a figure broadly proportionate to the size of the young population as a whole. None of those changes happened by chance. They happened because we wanted them to. We put money and a lot of effort into them.

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): I do not want to interrupt the right hon. Gentleman's flow, and I endorse what he said about our shared intentions in respect of participation. He will know that on his watch as Minister, the funding for Aimhigher was reduced. Why?

Mr Lammy: I have no recollection of the proportion of funding for Aimhigher being reduced. The Aimhigher programme sat alongside the funding that we gave

[Mr Lammy]

universities to both widen participation and increase retention. As I said, that overall pot was about £580 million. That is a significant amount of money, and it made a huge difference. I do not recognise what the hon. Gentleman said.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Does my right hon. Friend agree that the student support that we put in place was important as well? As the Browne report said:

"The evidence suggests that improvements to the support for living costs helped to ensure that the changes in fees in 2006 did not have a negative impact on participation."

Some progress has been made, but not enough. However, does the shadow Minister agree that we are now in unknown territory? The balance is getting out of hand, and the tripling of fees will have a deterrent effect on people from poorer backgrounds, who will feel obliged to choose cheaper courses at different universities.

Mr Lammy: That is, indeed, the fact. I want to emphasise that the increase in young people going into higher education in my constituency in the past 10 years is not just 5% or 10%; there has been a 100% increase in participation in higher education. That is, of course, to do with the support and the grants that were available, but it is also because of programmes such as Aimhigher Associates. Through such programmes, we encouraged young people, who were often from poorer backgrounds, to leave university for half a day a week and go back into schools to encourage others to go to university. That takes money, funding and priority. Making this issue a priority is in the national interest because of what has been said about growth.

Ms Abbott: My right hon. Friend makes a very important point about the increased participation of working class and black and minority ethnic students. Does he agree that, regrettably, there was a vestigial sense of a sort of educational apartheid in London, where working-class ethnic minority students tended to be grouped in what were often the weaker universities and middle-class students went to Russell group universities? Will such a steep rise in tuition fees not exacerbate the sense that people from areas such as his and mine think that a certain type of university is not for the likes of them?

Mr Lammy: My hon. Friend makes a profound point, which I hope to come on to. Such schemes worked, but they required money. Many of us who initiated such schemes hoped that they would make further progress than was achieved. We saw progress, but it was not at the speed and depth we would have liked. My hon. Friend is exactly right: it cannot be considered significant progress. One London university—I am thinking of London Metropolitan—has more students of black descent than the entirety of the Russell group. There was progress, but there is much more to do. We are concerned that today's announcement will mean things go backwards—in the wrong direction.

Mr Rob Wilson: I do not doubt the previous Government's intentions, and I hope that the right hon. Gentleman would not doubt the good intentions of the current Government. Does he accept that the current system is unable to meet the challenge of the rising demand for higher education? In particular, does he accept Sir Martin Harris's report, which mentions the participation rate among the least advantaged 40% of young people and the fact they are not getting into the top Russell group universities? That figure remained flat throughout the period of the Labour Government.

Mr Lammy: As I said, we were all concerned about the progress in relation to our most selective universities. That is why allowing our most selective universities to raise their fees to £9,000 a year must be counter to the progress that I would hope the hon. Gentleman desires. The Sutton Trust estimates that there are 3,000 missing state school students from Britain's 12 most selective universities. A further statistic that comes to mind is that only one black Caribbean student was admitted to Oxford university in 2009—one student.

The Government's claims are hugely important. They claim to be committed to higher education's role in social mobility. Indeed, we are told that access is hard-wired into the coalition agreement. However, despite that hard-wiring, the Secretary of State has apparently long questioned whether the 50% participation rate is sensible or affordable. It is important that the Minister says something about what he considers will happen to the participation rate. Does he believe that the Government can widen access with an increased tuition fee of £9,000 a year? How will trebling fees encourage the sons and daughters of nurses and dinner ladies to achieve what their parents never had the prospect of doing? If we add to that figure the £8,000 a year maintenance that a student needs to live on, the Government's plans mean that it will cost £17,000 a year to study for a degree. Will that encourage a nurse on an average of £23,000 a year to send her young son or daughter to university? With costs that are three quarters of their salary, will they not decide that university is what they always believed it to be: not for them?

Does the Minister honestly believe that students from the poorest backgrounds will not be put off by these staggering sums of money? A Sutton Trust opinion poll shows that only 45% of 11 to 16-year-olds who are currently interested in progressing to higher education at current fee levels would be interested if the fees were increased to £7,000. What does that then say about the current figure of £9,000? With institutions now capable of charging variable fees of between £6,000 and £9,000, it is inevitable that some of the most capable students from the poorest families will make choices based on cost or on the perception of cost, rather than because of academic talent.

Mr Hayes: I am intervening so that we can deal with some of the important questions the right hon. Gentleman raises. In the spirit of fairness that he normally adopts on these occasions, he will want to acknowledge that the statement made today by the Minister for Universities and Science, for the first time links fees to access. The proposals will explicitly link fees to the extra demand on universities in order to widen participation.

Mr Lammy: I hope that the Minister will explain in his response to the debate the detail of that access. As I listened to the Minister for Universities and Science a

few moments ago, there did not appear to be the teeth required to ensure that level of access. I did not hear anything about the programme of effort—the punishment or fine—that we will need to ensure that higher education meets the necessary access levels.

Nic Dakin (Scunthorpe) (Lab): I congratulate my right hon. Friend on bringing such a timely and pertinent debate to Westminster Hall. Is he not making the point that students historically have been able to choose their higher education destination based on the course they want to do and where they want to do it? They will now have to look at the course, the where and the price. That radically changes how the market will operate to the detriment of students, and both universities and higher education establishments.

Mr Lammy: My hon. Friend is absolutely right. The proposals are a huge departure. The Minister for Universities and Science indicated that there will be different price levels for different subjects and across the family of our universities. We also know that there will be a different state contribution to courses. That is a huge and profound change, which is far bigger than the change made to higher education in 2004.

Roberta Blackman-Woods (City of Durham) (Lab): I, too, congratulate my right hon. Friend on this timely debate. On the point he is making, obviously we need to invest in science, but surely we also need to invest in our arts programmes. A number of industries, not least our creative industries, are growing and are part of our future economic development. The future of such industries must be called into question by today's announcement.

Mr Lammy: My hon. Friend is absolutely right: arts and the creative arts make a huge contribution to our economy and to the new digital creative economy. The decision to withdraw state funding from such courses is bizarre, particularly as it was made alongside the decision to make massive cuts to the Department for Culture, Media and Sport.

Those subjects cut to the heart of what it means to be a democratic country. We all sit in this Chamber as politicians—politicians who draw on the liberal arts and who, I would have thought, expect the state to make some contribution to that area of study. Even in the United States, with its highly developed private higher education system, every state has a state university, as is the case in California, and all those universities make a massive contribution to the liberal arts. The departure that we are making in the UK leaves countries such as France, Germany and the United States making a contribution to that area of study, yet for the poorest students in this country, that will no longer be accessible.

I put on the record my thanks to the many people up and down the country who have worked in the Aimhigher programme. It is a programme that works. Pupils have been able to attend three-day summer schools attached to our universities as a result. I saw a scheme working with students in the Toxteth area of Liverpool; it was really reaching out to those young men, most of whom came from backgrounds like mine and had been raised by lone parents. They really wanted to aspire for the first time because of the huge inspiration that the scheme gave them. Following the decision that was announced today, what is to happen to Aimhigher? We have heard much today about the new access and success fund, but will the Minister confirm whether that fund will equal the £580 million a year that the previous Government invested in widening participation?

The Browne review promises to introduce stringent access agreements, and the Minister for Universities and Science confirmed that today. With universities charging more than £6,000 a year, will the Minister confirm what penalties they will suffer if they do not meet their access agreements? Will those agreements have teeth? I was saddened to hear the Secretary of State for Education being interviewed on the "Today" programme this morning. We did not want to hear that universities will demonstrate that they will use imaginative ways to attract students from poorer backgrounds; we want a lot more than imagination.

The Minister is really attracted to choice for students and to having funds following students to university. He has made great hay of the pupil premium, so why not have a pupil premium in that area of the education system? Why not fund students from poorer backgrounds better to get that buy-in from the higher education sector? Does he not agree that universities need real, hard commitments on access that are statutory and can be challenged? That is important if we are not to see the situation deteriorate.

Mr Hayes: I am grateful to the right hon. Gentleman for giving way a third time—I will not intervene again unless he says something extraordinary or outrageous, but I know that he will not. On the pupil premium, he knows that the biggest challenge in widening access is prior attainment. Unless we have more applications from people who come from disadvantaged backgrounds—as he and I do—we simply will not get the admissions we want. That is about the pupil premium and about supporting people in schools. Surely that is right.

Mr Lammy: I hope that the Minister appreciates the fact that 494 black students of Caribbean descent received straight As in their A-levels last year. I have already presented him with the evidence about Oxford university. The question for him is this: how will his changes make that situation better? Will they not make it worse?

It is important to note that there are three primary beneficiaries of higher education: the graduate, wider society and, of course, the employer. When we set up the Browne review, we asked it to look specifically at the employer contribution. I was disappointed that Browne spent only 300 words in his entire report on the employer contribution. We heard nothing from the Secretary of State on that subject when he responded to the report, and nothing from the Minister for Universities and Science today. Will the Minister now take the opportunity to explain why he departed from that key element in the basic terms on which we set up the Browne review? Why should we load young people, students and poor middle-class families with the debt, yet not ask employers, who are a beneficiary of our higher education system, to meet part of the cost? Why was that decision ruled out?

Will the Minister make a commitment that by the end of this Parliament, when—we are told—the structural deficit will have been eliminated, he will raise the public contribution to all courses, and lower fees? The changes

[Mr Lammy]

have been presented to some extent as emergency measures that are necessary because of the deficit. When the legislation comes before the House, as we are told it will in a few weeks' time, can we expect to see a sunset clause so that we depart from and then return to a system of more equalised contribution? I would like the Minster to say something about that.

On widening participation, I want to hear what the teeth, or the beef, of the programme will be. In particular, will the Minister commit to Aimhigher? I started my speech by saying that the Minister cares passionately about the issue, but I hope he will realise that, on this day of all days, many people beyond the Chamber are looking to this House, and what they want are answers.

2.57 pm

Roberta Blackman-Woods (City of Durham) (Lab): Once again, I congratulate my right hon. Friend the Member for Tottenham (Mr Lammy) on securing the debate. I think that we should be very proud of the Labour Government's record on widening access to higher education. Figures from the Higher Education Funding Council for England show that participation rates among young people increased from about 30% in the mid-1990s to more than 36% by 2009, and the extended opportunities for mature students mean that the figures for participation were well in excess of 40%.

Although differences in participation rates remain, depending on where one lives, Labour did much to increase participation among disadvantaged students. Young people from poorer areas have been substantially more likely to enter higher education since the mid-2000s. In the most disadvantaged areas, there have been substantial and sustained increases in the proportion of young people entering HE. That is because of recent increases in participation rates for young people living in disadvantaged neighbourhoods, whether neighbourhood disadvantage is defined by participation rates themselves or by measures of parental education, occupation or income. The proportion of young people living in the most disadvantaged areas who enter HE has increased by around 30% in the past five years, and by more than 50% in the past 15 years, which is truly an extraordinary increase.

The increases in the proportion of young people living in the most disadvantaged neighbourhoods who enter HE are also consistent with other statistics, including recent trends in GCSE attainment. Since the mid-2000s, the majority of additional entrants to HE have come from more disadvantaged areas. Most of the ways of measuring the differences between the participation rates of advantaged and disadvantaged neighbourhoods have shown a reduction since then.

That last point is critical, because it means that Labour was starting to narrow the gap in participation rates between the most advantaged and most disadvantaged areas. We should also recognise that the chances for young people to go to university if they came from a more advantaged neighbourhood increased, so that has given us quite a task, which is why we must have strong measures that continue to widen access to HE.

We have to ask ourselves why we want to do that, and I shall put forward a few brief points. Most of us who had the experience of HE, particularly if we came from a low-income background—I am someone who did, and was the first person in my family to go to university—know the transformative effect that going to university had on our life chances. It is incumbent on all of us to make sure that that opportunity is available to all young people who are able to, and want to, benefit from it. We should not be sitting in this place putting up barriers that will stop young people being able to go to university.

This country needs to continue to invest in higher level skills. My right hon. Friend the Member for Tottenham made an excellent point about the need for skills across a range of subjects. One of the concerning aspects of today's proposals is the total withdrawal of state funding for the arts, humanities and social sciences in our universities because of cuts to the teaching budget. We need those higher level skills if we are to compete in the global economy of the future. Why is this country not prepared to invest in our HE system to the same level that other developed—and, indeed, developing—countries are?

Paul Uppal (Wolverhampton South West) (Con): I, too, thank the right hon. Member for Tottenham (Mr Lammy) for securing this debate on a hugely important issue. I speak on breaking down barriers to HE as someone who came from one of those poor backgrounds. Most of my peer group were from an Afro-Caribbean background. The figure given by the right hon. Gentleman of only one candidate from that background going to Oxford or Cambridge is shocking, but is it not the case that the issue is about more than purely finance? If we discuss only money, the debate will be prosaic and we will not do it justice. This may not be the remit or framework for a full debate, but, as someone who has personally seen the disconnect in his peer group, I can say in all sincerity and modesty that most of that peer group were far brighter than me, but they fell away dramatically in those years between 14 and 18. The debate is about more than just money.

Roberta Blackman-Woods: I thank the hon. Gentleman for that intervention, but surely the issue is removing all the barriers that prevent young people who want to go to university from being able to do so. Some of the barriers may be cultural, and there are many programmes in place to try to break them down. My right hon. Friend the Member for Tottenham spoke about the Aimhigher programme. I have worked closely with Aimhigher in my constituency because we had a fairly low level of HE participation historically. Aimhigher works alongside schools and groups of young people to encourage them to make the most of their potential.

Of course we have to look at more than the financial situation, but it is important, in so far as it acts as a disincentive. One of the points that Opposition Members were making on the Floor of the House earlier, and are making in this Chamber, is that we are terribly concerned that the proposals to put fees up to between £7,000 and £9,000, with additional borrowing for maintenance, mean that young people will be faced with a debt of about £40,000 when they leave university. That will act as a huge disincentive, and we would like the Government to look at those proposals again. We would like them to take our points seriously.

My final point is about international competition. We know that we need our economy to grow. That is the biggest factor facing this country at present. We have to

put more emphasis on economic growth, and to do that, we need more knowledge transfer from our universities. They need to be investing in their local communities, but that will be made much more difficult by the withdrawal of Government funding to universities that was announced today.

I would very much like the Minister to take on board these specific points. Is there some detail about how widening access will continue? What will the Government do to ensure that young people from middle-income backgrounds are not faced with a huge disincentive to going to university because of the level of fees being proposed? What will his Government do to ensure that universities continue to invest in their local economies?

Several hon. Members *rose—*

Mr Clive Betts (in the Chair): I have indications from four hon. Members that they wish to speak. To get everyone in before the winding-up speeches, could Members take no longer than eight minutes? I have no power to impose a time limit, but consideration for colleagues will allow everyone to get in.

3.6 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): Thank you, Mr Betts. I am grateful for this opportunity to speak under your chairmanship on this important topic, and I congratulate my right hon. Friend the Member for Tottenham (Mr Lammy) on securing this important debate. If there were ever any doubt that he cared passionately about the future of higher education, and the future of children from estates such as his, mine and those of other hon. Friends here today, his speech will have proved his passion and commitment—long may it continue.

I wish to discuss what the Government's plans will mean for many of my constituents. In a Liberal Democrat press release during the election campaign, Nick Clegg said:

"If fees rise to £7,000 a year"—

Mr Clive Betts (in the Chair): Order. The reference should be to the Deputy Prime Minister.

Mrs Hodgson: I apologise, Mr Betts. The Deputy Prime Minister stated:

"If fees rise to £7,000 a year, as many rumours suggest they would, within five years some students will be leaving university up to £44,000 in debt. That would be a disaster."

I have to say this, Mr Betts: this is one of the few occasions on which I agree with Nick.

Even if most universities charge the minimum of £6,000, it will still be a disaster, and if most of the more prestigious ones charge £9,000, it will be an even bigger disaster. If I were a 16 or 17-year-old working-class girl from Gateshead—not too much of a stretch of the imagination, as I once was—looking at my options for the future, a potential debt of £44,000 would make me think seriously about whether I should go to university, especially if I were the first in my family to do so. It was not a journey that I was ever able to make personally because of cost constraints, and having to go out to work to help support my mam, who was on benefits, and two younger brothers.

If I were desperate to go to university, I would probably have to go to one of my local universities to avoid the extra living expenses, rather than the best university that would accept me based on my ability and grades. That seems to be what the Secretary of State for Business, Innovation and Skills intends people from my constituency to do. I would also most likely have to take a significant amount of paid part-time work, reducing the amount of time that I could dedicate to my studies, and consequently my attainment.

Even then, when I had struggled through three years and racked up a debt of £15,000 to £20,000 for the privilege—assuming that I had received some of the grants that the Minister of State outlined—my debt would continue to grow at a rate far above that at which my earnings would be likely to grow. An interest rate of 2.2% plus RPI, which would currently be 6.8%, does not compare favourably with a typical increase in median income of 3% to 4%. By that logic, somebody finishing university this year with £20,000 of debt would see that debt grow by more than £1,300 in a year and would need to find a job paying more than £30,000 just to keep up with paying that off. Today, though, we have heard that someone earning £30,000 could be liable to pay even more interest. That will mean millions of young people never paying off their loans and quite a number of those loans—not just the odd one—probably being written off after the end of the 30-year period. The thought of being 16 or 17 and realising that I would still be paying for my education in my 50s would definitely put me off higher education.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Unfortunately, I am one of those Members of Parliament who are still paying back their student loans, even though I left higher education more than a decade ago. Does my hon. Friend share my concern that no one in government seems to consider the aggregate effect of people having these levels of debt for so long, when house prices are rising, mortgages are hard to obtain and contributions to the pension system will have to be higher? No one seems to look at the fact that the sheer amount that people pay out on their loans every month diminishes their capacity to spend their money on other things, which is detrimental to family life and their prospects.

Mrs Hodgson: I certainly agree. We should also remember that some of the young people being burdened with huge debts will be from families that have no other mechanism to support them in making further life choices, such as getting into the housing market, or in paying unexpected bills. Having large elements of their earned income tied up for the next 30 years will be more of an ask for those young people than it will be for young people from a more middle-class background, but that has not been taken into account. For people from some of the backgrounds that we are talking about who might want to strike out and go to university, such factors will have a big detrimental impact on the decision that they take.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): Following on from the intervention from my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds), will my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) join me in asking the

[Mr Gareth Thomas]

Minister to comment on the impact of today's announcement on undergraduates who want to go on to postgraduate education? We heard nothing about that impact in today's statement, and it would surely be useful to hear whether those from lower-income backgrounds who have heavy loans to pay back will be deterred from going on to postgraduate study.

Mrs Hodgson: That is an important part of the debate, but it has not been discussed yet, and I certainly hope that the Minister will refer to it in his closing remarks. Even during my time as an MP, I have seen a change among the people who have applied to work for me as a researcher, with those who apply now having chosen not to do postgraduate qualifications for the reason that my hon. Friend sets out. Degree-level qualifications will therefore probably be the maximum attainment for some children from working-class backgrounds.

I want now to touch on the education maintenance allowance. At the same time as the current changes are being made, the Government are planning to overhaul the EMA system, which has been instrumental in ensuring that talented young people from less well-off backgrounds get the necessary qualifications to apply to university in the first place. There was a debate on this subject in Westminster Hall yesterday, which was secured by my hon. Friend the Member for Glasgow North West (John Robertson). He is a great advocate of the EMA, and I see from *Hansard* that he put the case for its retention impeccably, so I will not repeat it.

My hon. Friend has plenty of evidence to back up his case. The evaluation of the roll-out of EMA showed that it reduced the level of those not in education, employment or training and encouraged those receiving it to work harder. Indeed, Institute for Fiscal Studies research showed that attainment among recipients has increased by 5% since the introduction of the EMA. If the Government remove something that encourages less well-off children to stay in further education and to aim higher, and they couple that with huge disincentives to apply for higher education, applications from that group will almost certainly drop significantly, particularly to the better universities.

Paul Farrelly: In his intervention, the Minister talked about the importance of encouraging further applications. When I was growing up, I was one of those people whose family encouraged them to go out to work at 16. The EMA, which I argued for in my maiden speech in 2001, has been really important in changing that, but the Government gave us no indication of the implications of scrapping it when they announced the changed regime today.

Mrs Hodgson: My hon. Friend makes a good point. I always tell people that the EMA would have been the one extra thing that would have given me the confidence to resist the push to go out to work, because I would have had just that little bit of money that was mine.

I note from *Hansard* that the Minister who answered yesterday's debate tried to shift the blame for the decision to remove the EMA on to the previous Labour Government, much as I expect the Minister, unfortunately, to do today. The fact is that there are alternatives to those choices that have been made—ones that would have put more of the burden on the people who caused the situation that we are in, rather than on a generation that has had nothing to do with it.

The Minister for Universities and Science is not representing the Government here today, but he is apparently the author of an interesting book called "The Pinch". I regret to say that I have not had time to read it yet, although perhaps a friend will be watching the debate and get me a copy for Christmas—if they do, I will be sure to pop along to the office of the Universities Minister to request an autograph. In his book, he argues that his generation—it is not quite my generation, because I am not that old—has benefitted from all the things that it is now unwilling to fund for the current generation and the next generation, including subsidised higher education. Does he not think that the Government's reforms enforce that attitude, which he clearly sees—or saw—as hugely detrimental to young people?

I have a copy of today's statement by the Universities Minister; he spoke of introducing a progressive system. The only progress that I can see between when he wrote his book and his speech today is a kind of backwards progress, which is, I believe, an oxymoron—a bit like his claim that the Government's changes are progressive.

3.17 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I, too, congratulate my right hon. Friend the Member for Tottenham (Mr Lammy) on securing this timely debate.

I represent Liverpool, Wavertree, which has one university, Liverpool Hope, within its borders and two, Liverpool John Moores and Liverpool university, just outside. Many members of Liverpool's student and academic community live in my constituency. Along with my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds), I am probably one of the Members who was most recently in the higher education system and I am still paying off my student loan. I was also one of the 500-plus candidates who signed the National Union of Students pledge not to vote for an increase in fees, and I will be upholding that pledge.

I recently met representatives of Aimhigher Greater Merseyside and I heard in great detail about the fabulous work that they continue to do across the region for 35,000 young people. As many of my hon. Friends have said, the goal of the Aimhigher programme is to widen participation in higher education and to encourage young people from disadvantaged backgrounds to apply for university.

Lisa Nandy (Wigan) (Lab): Will my hon. Friend join me in paying tribute to the work of Aimhigher not only on the issues that have been mentioned, but in providing advice and guidance to much younger children, who might never have thought about going to university? I am sure that there are far too many young people in her constituency, just as there are in my constituency of Wigan, whose talent and ability are not matched by their aspirations. Will she join me in urging the Minister to make sure that the invaluable work that Aimhigher does with young people from the ages of 13, 14 and 15 continues?

Luciana Berger: I thank my hon. Friend for that intervention; she raises some valuable points about the fantastic work that Aimhigher has done not only with young people in further education, but in schools, and I will go on to mention some of the wide range of activities that it is involved in. Most specifically, Aimhigher helps young people from families with no other members who went to university to consider higher education. For many of them just going on to further education is a massive step.

I want to expand on the list of Aimhigher's activities, because it does so many things. It has made more than 1 million interventions to encourage young people to think about university—an incredible amount of activity. That extends to more than 2,500 schools in the UK, and 300 colleges. We have heard about its summer school, which gives young people a three to five-day taster experience of what it means to go to university. It offers one-day master classes, given by university staff, in all subject areas. It also offers continuing professional development for teachers in school and staff in further education colleges, to make them aware of changes in higher education and the opportunities that are available.

Aimhigher offers impartial workshops on university life, finance, choice and how to make an application—because for many young people filling in the UCAS form is a massive step forward. It also offers bespoke programmes for those with disabilities, and for people who were looked-after children. In Liverpool we try to do a lot of work to help looked-after children to take that step, because so many do not go to university. Aimhigher also offers additional support for vocational learners—especially apprentices, as there is no reason why they should not go on to university if they want to.

I was therefore incredibly alarmed to learn from the Universities Minister a few hours ago, when I asked him about the Aimhigher programme, that responsibility for the activities that it currently pursues will fall to universities. I am incredibly concerned about that, because there is not enough detail, and a massive vacuum will be created during the transition. There will be a £150 million national scholarship fund. I welcome that, but it is only a fraction of the investment that the Labour Government made in the widening of participation—and it assists only the brightest, as we can see from today's statement, to the exclusion of those who may still be good enough to apply to university, but who will not qualify for a scholarship.

My hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) quoted something that the Deputy Prime Minister said the week before the election, and I want to return to that, because the next line is very pertinent to the debate. He said:

> "If fees rise to £7,000 a year, as many rumours suggest they would, within five years some students will be leaving university up to £44,000 in debt. That would be a disaster."

Then he added:

> "If we have learnt one thing from the economic crisis, it is that you can't build a future on debt."

Nic Dakin: Does my hon. Friend think it is ironic that the Deputy Prime Minister, who was so correct when he said that, should now use the excuse of the debt caused by the bankers to transfer the problems of and payments for that debt to the young people of today and tomorrow? It seems completely wrong.

Luciana Berger: My hon. Friend has made exactly the point I wanted to make, so I thank him.

Many of my constituents talk to me now about the challenges they face because of their current debts, when fees are only a third of those proposed by the new Government. Access to higher education should be about students' ability, not the ability to pay or willingness to shoulder thousands of pounds of debt. That is my greatest concern.

Mr Thomas: Will my hon. Friend join me in asking for more clarity from the Minister about what will happen to the widening participation grant that is currently in his Department's budget? We have had no information about whether it will be increased or decreased, or stay the same. I am sure that universities and students will be attending to this debate, and will want that information too.

Luciana Berger: I thank my hon. Friend for asking that relevant question. Given the fraction of money that will go from Aimhigher to the national scholarship fund, and the scarcity of detail in the statement about how widening will be funded, I too would be grateful to know what grant there will be.

3.24 pm

Paul Blomfield (Sheffield Central) (Lab): I congratulate my right hon. Friend the Member for Tottenham (Mr Lammy) on securing the debate. I know how passionately he feels about participation, and was pleased to join him, when he was the Minister for Higher Education, on a visit to Sheffield's Aimhigher programme. We were both impressed by the excellent work done by the programme team. I congratulate him also on the timeliness of the debate, on a day when we have heard the Government's proposals for the most fundamental remodelling of our higher education system for 50 years—shifting the responsibility for the funding of universities from the state on to students, and creating a market in which it is clear that a 50% higher fee for the best courses at the best institutions will lead many families, after discussion, to base choices not on a potential student's ability to learn, but on their ability to repay greater debt.

Bill Esterson (Sefton Central) (Lab): My hon. Friend is talking about choices, and I want to mention the impact not just on participation but on subject or even career choice. Students in my constituency have said that they must seriously consider courses on the basis of how much they might earn after qualifying, rather than on the basis of interest or the career they want. That is a grave concern and perhaps the Minister might be asked to respond to it.

Paul Blomfield: My hon. Friend makes a good point. There is a further message within the Government's announcement, about social sciences, arts and humanities courses. The Government are sending out the message that they are not valued by the country. That will, I am sure, also be a factor in students' decisions.

We know from talking to constituents, from research and from looking across the Atlantic at the United States model that the Government seem intent on creating, that the cost of courses is a significant disincentive for

[Paul Blomfield]

those who can least afford them. The levels of debt that the Government seem intent on students taking on will be a disincentive, particularly for those on lower—and, indeed, ordinary—incomes, who cannot contemplate such financial risk.

Apart from the impact on participation, the Government's proposals fail their own test on the funding of the higher education system. I refer hon. Members to the remarks made by Professor Steve Smith, president of Universities UK, who wrote recently in *The Guardian*:

"The government should be in no doubt about the risks these cuts in funding pose to the world-class standing of our higher education system, and thus to the country's future economic growth and prosperity. The UK's competitors face the same deficit reduction challenges as we do, but they have decided to invest in higher education at this crucial time, not cut it."

Mr Hayes: I know that the hon. Gentleman is a devotee of Steve Smith's words on this subject. This afternoon, following the statement, he said:

"We believe that this package of proposals represents the best available funding system for universities."

Paul Blomfield: I understand the messages that the Government have been sending about the available options, and the way the universities are being forced to accept a way forward that is deeply unpalatable for many of them. Steve Smith went on to point out in the article I quoted that the spending review set the context within which to understand Browne. That is a crucial point. The previous Labour Government set up the Browne review as an independent review of our higher education system, but clearly the steer that was given to Browne on the resources that would be available, and the way they would be allocated, shaped the recommendations and took away any pretence that the final report was the independent review we had sought.

Luciana Berger: Is my hon. Friend aware that in 2007 we, as a country, spent only 0.67% of GDP on higher education when the OECD was recommending 1%, and that that figure is now likely to fall as a result of the announcements made today?

Paul Blomfield: That is a very important point on our position in relation to competitors in the OECD. We have made enormous progress in the funding of higher education over the past 13 years. We did not get to where we needed to be, but we were moving in the right direction. This Government are reversing that direction and taking us backward.

Let me return to the point about the negative message being sent out about arts, humanities and social science courses, and share with Members the views of the vice-chancellor of the university of Sheffield, Professor Keith Burnett. He is an outstanding leader of an outstanding university, and a scientist. He said:

"In the last few days I have been thinking about how I would feel if my subject—Physics—had been identified as fundamentally unimportant to the UK, or at least unworthy of its investment, in the way that many of our colleagues' subjects have been. I would be gutted....When I see what richness the work of our colleagues...has brought us...Sir Ian Kershaw's books on Hitler...shed a unique light on how fascism emerged...offered insights and judgement which can't be ignored. Mike Braddick's new book on the Civil War...helps us understand how we came to be who we are as a nation...Focusing on a period when fundamental questions were being debated...casts new light on the transition of Britain's passage from one era to another...One of our most powerful resources as a country, and as a University, is our cultural insight, our deep questioning of our own society and ideas—perhaps we have never needed that analysis more as we consider how best to go forward. In a world of global competition and profound change, we want our children to have more than just bread to live on."

I turn now to the point that my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) made on education maintenance allowances. Fundamentally—the Minister himself acknowledged this—participation in higher education is in many senses determined by people's experience of the education system in their early years. We know that for many people who aspire to go to university the critical decision is at the age of 16, and that in low-income families with no history of post-16 education there is huge pressure not to be a further drain on the family's financial resources. I have talked to constituents across Sheffield, and have been left in no doubt that education maintenance allowances have transformed life chances. Last year, almost 7,000 EMAs were awarded across the city. In the comprehensive spending review, the Chancellor talked about replacing

"education maintenance allowances with more targeted support."
[*Official Report*, 20 October 2010; Vol. 516, c. 964.]

I suggest that that is a deeply cynical use of language. What could be more targeted than allowances that are assessed according to family income, with the level of payments being determined according to need? The Minister cuts a rather lonely figure today, and I regret that there are not more Members of other parties interested in the debate. I hope that the Minister will address my remarks in his contribution.

Mr Clive Betts (in the Chair): Before I call the next speaker, I remind Members that I will start the wind-ups at 3.40 pm.

3.34 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I am grateful for the chance to take part in this valuable debate. I congratulate my friend and colleague, the right hon. Member for Tottenham (Mr Lammy), on obtaining this important debate. My Government had an excellent record in further and higher education, particularly when he was a Minister in that Department.

Like my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger), I signed a pledge not to vote for an increase in tuition fees, and I had to fight through a crowd of Lib Dems in this House to do so. I had imagined that that same crowd of Lib Dems would be here today; I cannot imagine what has happened to them. As I said, my Government had an excellent record in further and higher education, but I voted against tuition fees in any form or fashion because my view was that society as a whole benefits from education and society as a whole should pay.

It was also my view that I had benefited. As the child of people who left school at 14, I have benefited from an education at one of our better education institutions, nestling as it does in the mists of the fens of East Anglia, and I was not prepared to draw up the ladder behind me to another generation of young people.

I also knew that this is where it would all come to. It was all very well for us to introduce tuition fees in a very careful way, hedged about with all sorts of support—very judicious—but I knew that it would end in a Tory-led Government ramping up fees unconscionably, leading to a more divided education system than we have ever seen.

Mr Hayes: When did the hon. Lady change her mind about fees, or is she totally, wholly and implacably opposed to fees of any kind?

Ms Abbott: I am afraid that I did not attract the Minister's attention. I have always been against tuition fees; I have marched through the Lobby against them. It gives me no pleasure to say that I knew it would end up like this, with Tory Ministers such as the hon. Member for South Holland and The Deepings (Mr Hayes) ramping up fees—*[Interruption.]* Members will see how I cast my vote in the coming debate.

The point that I wanted to make is that in a world of markets—all of us here, even my good self, believe in markets nowadays—price is an indicator and, as I said earlier, if there is variable pricing, the indicator to students is that the higher-priced universities are not for the likes of them. Over the years, I have counselled many young people in my constituency, including ethnic minority young people, to try to encourage them to go on to higher education. They are held back not because they do not have the qualifications—their teachers bring them to me precisely because they think they are bright enough to benefit—but because their parents and they themselves are worried about leaving home, about the sorts of people that they will meet, and that the environment might be snobbish. And now that we see a gap of perhaps £6,000 or £7,000 between fees, what will those working-class students think?

I was the first in my generation of my family to go to university. I always remember my father, who was a committed and kindly parent, saying when I was in the sixth form, "Girls of your age are out of school." He was not being cruel; all the black girls of my age that he knew were out of school. I voted against tuition fees in the first place because had someone told my father, who left school at 14 and worked all his life, that not only was I staying on into the sixth form, not only was I going on to university, but I was going to pile up upward of £40,000 debt to go to my chosen university, he would have said, "No. You leave school and you become a nurse like your mother," not because he was cruel, but because he was looking out for my future. For someone from his kind of background, that level of debt would be more than they would earn in a year, and more than my father in his day would have earned in several years, which would have been completely unthinkable.

I agree with Government Members who said that the issues that face young people from communities such as mine when going forward into further education are not just about money. They are very complex issues, and that is why for many years I have run a programme that is designed to encourage black young children, specifically, in London to raise their achievements. We have conferences and seminars, and we give out awards. There are, of course, hundreds of ethnic minority young people doing very well in school, in spite of everything and, as I am sure my right hon. and hon. Friends will agree, this measure will hit not just people from communities such as mine, but middle England also. In some ways, the people who will be worst off are those who are just in the middle, who are not eligible for the help but cannot afford to contemplate their children going on to pile up £40,000 of debt, not when they will have to think about their pension and their jobs, and interest rates on mortgages are rising. I believe that the introduction in this way of a crude market mechanism into higher education is wrong. I believe that it shows the reality of our invisible Lib Dem colleagues' commitment to equality and fairness. I look forward to hearing the Minister responding to my colleagues' points today, but I look forward even more to seeing what the electorate in Southwark, in Hornsey, and in Lib Dem constituencies up and down the country, will say in response to the way in which the Lib Dems have today walked away from signed commitments not to have higher tuition fees.

Mr Clive Betts (in the Chair): I thank all Members for their co-operation in ensuring that everyone who wanted to speak had a chance to do so.

3.39 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): It is a privilege to join the debate led by my right hon. Friend the Member for Tottenham (Mr Lammy), not least because he has a distinguished record championing the widening participation agenda as a Minister, a point others have touched on. Although I have a slight problem with his constituency, I welcome the opportunity to put on record my appreciation of his record in Government. Given his profound knowledge of the subject, I hesitate to speak so soon after my appointment to this shadow brief.

My right hon. Friend and my hon. Friend the Member for City of Durham (Roberta Blackman-Woods) rightly praised the improvements in access to participation under the Labour Government. Those from the top three social classes are twice as likely to go into higher education as those from the bottom four classes, and 19% of the poorest 20% go into higher education compared with 57% of the richest 20%. As my right hon. and hon. Friends made clear, there has been encouraging progress since 2004. Higher education participation by the poorest 20% is up by some 32% compared with a rise of 4% for those from the richest 20%, which means an extra 33,000 students from the bottom four social classes going into higher education between 2003 and 2008. My right hon. Friend and the previous Government can be proud of that record. As hon. Members have rightly said, we need to do more work in that area, so I share the profound scepticism of all those who have spoken from the Opposition Benches that the package announced today by the Minister for Universities and Science will help the effort to increase access to participation.

The hon. Member for Reading East (Mr Wilson), who, sadly, is no longer in the Chamber, intervened on my right hon. Friend the Member for Tottenham. As my right hon. Friend said in his answer, the one bit of good news in the Government's response to the Browne review was about access to loans and better support for part-time students. There were interventions and speeches by my hon. Friends the Members for Hackney North

[Mr Gareth Thomas]

and Stoke Newington (Ms Abbott), for Stalybridge and Hyde (Jonathan Reynolds), for Newcastle-under-Lyme (Paul Farrelly), for City of Durham (Roberta Blackman-Woods), for Washington and Sunderland West (Mrs Hodgson), for Liverpool, Wavertree (Luciana Berger), for Wigan (Lisa Nandy), for Scunthorpe (Nic Dakin), for Sheffield Central (Paul Blomfield) and for Sefton Central (Bill Esterson). I hope to pick up on some of the points that they made.

The hon. Member for Wolverhampton South West (Paul Uppal) made the perfectly fair point that barriers to widening access to education are not simply about finance, but I hope that when he reflects on his intervention he will recognise that a substantial cut in the teaching grant—of which more shortly—will have a big impact on the effort to increase participation. My right hon. Friend the Member for Tottenham referred to the research by the Sutton Trust, which has long championed better access to the oldest universities—Oxford and Cambridge. It will be interesting to hear the reaction of the Minister for Further Education, Skills and Lifelong Learning to the work that the Sutton Trust published and the profound concern it raised about the impact of the Browne review on the ability of universities to increase participation.

My right hon. Friend has also championed the future of Aimhigher. In answer to questions that I tabled about its future, the Minister for Universities and Science made it clear that Aimhigher has made a significant difference to access to higher education for those from low-income backgrounds. I hope that the Minister for Further Education, Skills and Lifelong Learning will give us more detail about the future of the widening participation grant. Does he expect it to go down?

I hope that the Minister will deal with the Opposition's profound concern about the scale of the cut that universities have to contemplate. It has been largely hidden away and not referenced until today's statement and debate. It is not the 40% spending review cut that the Department for Business, Innovation and Skills owned up to, but the 80% cut in the undergraduate teaching budget that is set to have such a profound impact, and is the prime driver behind the increase in fees that we are set to see.

As I said in response to the statement by the Minister for Universities and Science today, we expect universities to lose millions of pounds over the next four years. I hope that he has the courage to recognise that the universities that have done the most to increase participation are set to see the biggest drop in teaching grant funding. As a result of the cut in the undergraduate teaching budget, the university of Bedfordshire is set to lose more than £25 million; Sheffield Hallam university, which serves the constituency of the Deputy Prime Minister, is set to lose £63 million; Leeds Metropolitan university is set to lose almost £61 million; Manchester Metropolitan university is set to lose £60 million; and Liverpool John Moores university is set to lose more than £48 million. A series of universities are set to lose all their teaching grant funding.

In response to the statement from the Minister for Universities and Science today, my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock) referenced Trinity Laban, which serves, in part, one of the most deprived communities in London, and is set to lose all of its funding simply because it does not teach science, technology, engineering or maths. There is huge concern in the higher education sector, as I hope the Minister will acknowledge, about how the transition to the new system will work, about the pace of cuts in higher education funding and about the extent to which the income from increased fees will come on stream.

The key question for the Minister is how such a huge cut in the undergraduate teaching budget will help universities to increase participation. My hon. Friend the Member for Sheffield Central mentioned that we are one of only two countries in the OECD that is decreasing spending on higher education—we join Romania in that regard. In the US, President Obama wants the highest number of undergraduates in the world to be from the United States by 2020, and he is backing up that commitment with substantial additional investment in higher education and research. France, Germany, our allies in Europe, Australia and our allies in the Commonwealth—all OECD members—are substantially increasing their investment in higher education, because they want to increase and widen participation. They recognise both the importance to their economies of having highly skilled graduates and the social justice argument for ensuring that those from low-income backgrounds can go to university.

Although a huge number of Labour Members are interested in this debate, it is telling that not one Liberal Democrat has turned up to take part. They are skulking away in the corners of the House, no doubt embarrassed by what their party has signed up to. It is extraordinary that back in April the Deputy Prime Minister signed his headline manifesto commitment opposing tuition fees—wanting them abolished—yet he now supports trebling them as part of the package today.

What is the future for the widening participation premium? What will be the impact of much higher fees and loans on mature students? What analysis has the Minister commissioned about the impact of the package announced today on those from low-income backgrounds? What will be the impact on postgraduate teaching, and what will be the impact on people from low-income backgrounds in terms of participation in postgraduate study?

Will the Minister tell the House how the new access agreement that each university will have to sign with the Office for Fair Access will work? Will there be targets in the access agreement? How will they be set? Will the access documents be public, so that universities and those outside the higher education sector can compare like with like? What will be the penalties if universities do not achieve the targets set out in the access agreement? That point was raised by my right hon. Friend the Member for Tottenham.

3.50 pm

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): It a pleasure to speak in this debate, Mr Betts, and I congratulate the right hon. Member for Tottenham (Mr Lammy) on securing it. I acknowledge that we both care deeply about this subject, and we have debated it over many years. It was especially fortuitous of him to secure the debate for today. He applied for it and secured it before he knew about the statement that would be made—a remarkable achievement.

I have always listened to the right hon. Gentleman with interest. His journey from Tottenham to this place is one that we all believe more people should be able to take. Like many other hon. Members who have spoken, I was the first person in my family to go to university and, as the right hon. Gentleman knows, I want that opportunity for more people from working-class backgrounds. Like the hon. Member for City of Durham (Roberta Blackman-Woods), I believe in what she described as the transformative power of learning, and the way that learning changes lives by changing life chances.

However, let us be frank during the course of our affairs this afternoon. The previous Government knew, just as this Government know, that we have to think again about how we fund such opportunities. That is precisely why the previous Government commissioned the Browne review. I have a series of quotes from Lord Mandelson and others. It would be tedious to read them out, but they state that we need to think afresh about the way that we fund universities and think carefully about the contribution made by graduates. That was why we needed to commission a review that looked at such matters. The terms of reference of the Browne review could hardly have been agreed on had it not been anticipated that the outcome would address such subjects. That is precisely what Lord Browne did.

We have heard from a number of hon. Members about the problem of the disincentive effect of higher fees. We heard about that issue from the hon. Members for Sheffield Central (Paul Blomfield) and for Liverpool, Wavertree (Luciana Berger), and the hon. Member for Harrow West (Mr Thomas) mentioned it in his summing up. That stands in contrast to the simultaneous and accurate claims made by hon. Members that since fees were introduced, things have improved in terms of widening access. Rather than being a disincentive, there is little evidence to suggest that people have been put off by fees. As we heard, more people from less-advantaged backgrounds have been going to university since the introduction of fees.

Paul Farrelly: Will the Minister give way?

Mr Hayes: I will happily give way, but I am not going to give way too much because of the time. I want to cover all the points that have been raised.

Paul Farrelly: My hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott) and I were veterans of the bloody battles that were fought in the Labour party over a market in higher education. The Conservative party and the Liberal Democrats agreed with us. The key achievement all those years ago was to stop the variability, which would have led to people from poorer backgrounds choosing cheaper universities.

While I am on my feet, I would like to make another point—

Mr Clive Betts (in the Chair): Order. Interventions are supposed to be brief.

Paul Farrelly: This will be very brief, Mr Betts. The price paid for a degree sends a market signal to employers that the higher the price, the more a degree is worth. Therefore, more universities will charge higher fees simply because of the signals that that will send to employers. There will be many effects that have not been researched.

Mr Hayes: I rather suspect that that depends on the degree. There is much more evidence to suggest that degrees in applied sciences, for example, and some of the practical subjects, tend to increase employment potential, whereas some other degrees do not—we could share that discussion offline, Mr Betts, if we have not got time to share it now. I do not write off those other degrees. My goodness—I am a politics graduate and I ended up in this place. As a social scientist, I do not want to make a case against social sciences, and as someone interested in the arts and humanities, I am not going to make a case against those subjects. None the less, if the hon. Gentleman looks more closely at the evidence, he will find that the issue is more about the type of degree.

Much has been made in the debate about the issue of prior attainment. I want to emphasise and amplify the point that the key problem with widening access is prior attainment. If the number of applications were greater, the number of admissions would be greater too. There is not much evidence to suggest that the admissions system is skewed against people from less well-off backgrounds. Many studies have been done to try to establish that, but such a claim is not evidentially based. The issue is about the number of people who apply to universities from less well-off backgrounds. We have to get the school system right and put people on the starting block in the race for higher learning.

We must get advice and guidance right. All too often, people from disadvantaged backgrounds are not given the right kind of empirical advice about the opportunities available to them. When people are advised properly, equipped with the qualifications necessary for their applications and encouraged to apply to university, we see the widening of participation and the fair access that both I and the right hon. Member for Tottenham would like.

Sheila Gilmore (Edinburgh East) (Lab) *rose*

Mr Hayes: I will give way once more, and then I must make progress.

Sheila Gilmore: No one would disagree with the need to improve attainment, but I do not think that those issues are necessarily in conflict—I will ask the Minister for his view on that. Over the past few years, if people wanted to get into housing, those who could go to the bank of mum and dad did so. Are we going to see a position where those who have the bank of mum and dad, or perhaps an inheritance from mum and dad or grandparents, will in future be able to make choices about higher education that other people cannot make?

Mr Hayes: It is more the case that people who get advice and guidance derive the wherewithal that turns their aspirations into reality because of a familiar understanding of opportunity. Research suggests that people tend to get that wherewithal from social networks or familiar experience. That is why my children will benefit from advantages that I did not have because of my understanding of the options that are available for higher study. The issue is not only about money, although money is part of it and I shall come on to that in a few moments.

Mr Thomas: Will the Minister give way?

Mr Hayes: I will not, I am terribly sorry, but I want to make progress. A lot has been said about Aimhigher. I charged the right hon. Member for Tottenham with the claim that he cut the budget for Aimhigher—that was perhaps a little unfair given that he will not have access to the same figures as when he was a Minister or a Front Bencher. However, I would like to give him the facts and I know he will also want them on the record. In 2007, the budget for Aimhigher was £102 million; by 2009 it had dropped to £81 million, and by time the right hon. Gentleman left office, it had fallen to £78 million. The faith that he and others expressed in Aimhigher was not supported by a financial commitment in the budget over which he presided.

Mr Lammy: Let me put on the record that I was not the Minister in 2007. We increased the widening participation budget for universities more broadly, alongside Aimhigher.

Mr Hayes: The right hon. Gentleman was not the Minister when funding for Aimhigher was at its highest, but he was when the funding fell. We understand his point.

The quality of achievement at state schools and the prior attainment of students is critical. The right hon. Gentleman makes an important point about the success of black students in getting into Russell group universities. That is a matter of profound concern and something that the Government should look at, particularly in light of the recent research that he and I discussed yesterday. I want to see what we can do to address that issue.

I also wish to speak a little about the point made about arts subjects. It is important to understand that we will continue to support the arts. It was suggested that arts subjects will no longer receive funding, but we will continue to focus the Government subsidy for teaching on that.

Roberta Blackman-Woods: Will the Minister give way?

Mr Hayes: I cannot give way; I do not have time. I apologise. We will continue to support the arts through the subsidy for teaching in universities.

I have a couple of other points. First, the increase in support for part-time learning will do more to widen participation than any other single measure. As the right hon. Gentleman and others know, disadvantaged people are disproportionately represented among part-time learners. Raising the income threshold to £21,000 will have a profound effect—

Mr Clive Betts (in the Chair): Order. We must now bring the debate to a conclusion.

A614

4 pm

Mr Mark Spencer (Sherwood) (Con): I am grateful to have been allowed this time to debate this issue, which is crucial to my constituency. The A614 is a rural single carriageway road that runs down the spine of Sherwood and is a key stage of many commutes in my constituency, providing essential access to the city of Nottingham. The A614 is, however, an historically dangerous stretch of road. It is the site of frequent incidents. In the past 18 months alone, two horrendous fatal accidents have claimed eight lives.

The people of Sherwood have been lobbying hard for improvements to the road, and I am today calling both for better funding for the local county council to make the necessary improvements and for a look at the wider lessons that can be learned from roads such as the A614.

Let us consider rural roads in general. The Institute of Advanced Motorists states:

"On an average day, nine people die on Britain's roads; six of them are killed on rural roads."

It also states:

"Two-thirds of fatal and serious casualties on rural roads happen on 60 or 70 mph speed limit…roads."

It is also relevant to note that half the casualties in rural Great Britain are injured on dry roads in dry weather and that more are injured in daylight than in the dark. Those figures show that rural road safety as a whole needs to be considered when the House can commit more time to the subject than this debate allows, but the A614 is of particular relevance to Sherwood and its people.

I would like to acknowledge for the record that the county council has done excellent work in bringing down the numbers of accidents and particularly fatalities on the A614, but there are a number of areas in which I believe that the Government could support the county to make further improvements in the A614's safety record. I shall specify where improvements are necessary.

The A614 attracts the vast majority of its accidents in dry, light conditions, with no other hazards detailed on the accident reports. That begs the question, why is the A614 a consistent source of road incidents? There are several hot spots along the route that warrant improvement. Between 2004 and 2009, there were 11 accidents at the junction with the B6030, locally known as the Rose Cottage junction. The installation of traffic signals at the junction was investigated but not proceeded with, as the necessary funding was not available. Any resident of the village of Edwinstowe who tries to gain access on to that busy road will know the dangers of pulling out. When that is combined with the Center Parcs traffic coming in and out of the same junction, there are enormous delays, which lead people to take risks that they should not. An improved road junction at that site would really assist and lower the number of accidents.

Mickledale lane is a little further south. There have been three accidents there since 2004. Residents of Bilsthorpe, a local village, use the junction to gain access to this busy road. It is an horrendous pull-out. Anyone who has used the junction will know the dangers of pulling out into high-speed traffic.

A little further north is Ollerton roundabout—a source of much congestion and debate in the past. The county council has worked long and hard to try to improve that roundabout. There have been 16 accidents along that stretch of road since 2004, and 13 of the 16 involved vehicles turning into or out of a junction. One occurred at a private driveway near the railway bridge, four occurred on Station road—a rat run for people avoiding the congestion at Ollerton roundabout—and eight were associated with the two service stations south of Ollerton.

Although safety is the clear priority at all times, there are major issues with traffic flow, resulting in major tailbacks. Heavy and slow traffic has its own safety consequence, with several bumps occurring in slow-moving traffic. I must, however, give credit where it is due. After years of inaction, the Conservative county council has finally taken action with a small improvement scheme and is delivering that as we speak. However, I expect that the hold-ups will remain. The issue needs solving.

Gravelly Hollow is the junction by which the residents of Calverton gain access not only to the A614, but to the M1 motorway. Due to lack of funds some time ago, the county council decided to close that road junction completely. Funding was not available to improve it, and it had such an horrendous safety record that it was closed to the residents of Calverton. They are now pushed south to an equally dangerous junction at Ramsdale and turn at an acute angle northbound, taking a great risk.

Inevitably, money must raise its ugly head, but I think that investment from Government through the LTP3—local transport plan—settlement would offer a number of clear benefits. Sherwood has had no firm commitments to transport infrastructure improvements, but an increase in the LTP3 settlement would allow the county council to make the vital improvements that Sherwood needs to improve road safety and traffic flows. As improvements have been made to the road over a number of years, accidents have reduced slightly. If the county can commit to improving the remaining sites, the numbers will inevitably fall further. Investment is a prime means by which the Government can support the localism agenda. With relatively modest investment, the Government could support local improvements and ensure that the county can invest in the right places to save lives.

However, although certain physical improvements to the A614 would benefit Sherwood enormously, it cannot be overlooked that the road attracts the vast majority of its accidents in light, dry conditions in which no other hazards seem relevant. I am haunted by the statistic I read that the biggest killer of teenage girls is their male drivers; they are killed as passengers in those cars.

The accident investigation department at Nottinghamshire county council has looked at the accidents caused on one of the worst stretches of the A614—Lockwell Hill roundabout to Ollerton roundabout. Almost 20% of the accidents there were caused by drivers aged 16 to 25, despite that age group constituting only 12% of licence holders. Indeed, more than half the single vehicle accidents on that stretch of road involved under-25s.

It is not my intention to penalise young drivers, but it is an unavoidable truth that at some level our driver education system is failing and that we are still producing, though clearly by no means exclusively, drivers who pose a risk to themselves, their passengers and other motorists. In recent years, there have been a number of changes in the driving test procedure, including the six penalty point limit on all new drivers, but there are other measures that, rather than punishing new drivers, could support better learning and long-term motoring skills.

The AA has said:

"Learner drivers should be encouraged to gain as much practice as possible before taking their tests."

It has also said:

"Newly qualified drivers need to gain more experience as learners, particularly to build better hazard perception."

I share its belief that the best way to facilitate that is to support the addition of learners to the policies of qualified drivers—it is usually a parent—to allow them to learn over a longer and more extensive period of time than is allowed by expensive weekly driving lessons. As things stand, such an arrangement is often prohibitively expensive. The cost of adding a 17-year-old learner driver to the policy for a 1.1-litre Renault Clio ranges from the fairly high figure of £2,500 a year to an incredible £20,500. That was the most expensive quote that we could find on the internet. That is a major financial commitment for any family.

I and various motoring organisations believe that such a premium does not reflect proportionately the risk posed by a supervised learner. Insurance companies must distinguish between the 17-year-old who has just passed his test and is inclined to show off to his friends and the one whose mum is sitting in the passenger seat with a firm eye on the speedometer. The AA has said:

"Government should work with the insurance industry to review the premiums charged to parents wishing to include their learner driver children on their policies so that premiums follow actuarial risk."

I fully agree.

In one of the grimmest accidents on the A614, the coroner observed that

"it was dark, however the visibility was very good, aided by street lighting...All the road markings were in good condition and clearly visible",

but the driver was a young man.

The reality is that, while we must ensure that all road safety tools are physically in place—bright lines, proper lighting, adequate junctions—such measures will never completely exclude the occurrence of accidents. Drivers who lack the experience to use the roads will always cause problems.

Furthermore, the key point is that young drivers are not trained on the roads and the conditions most challenging to inexperienced drivers—rural single carriageways, often travelled at night or in the wet. I would like to discuss the idea that such roads and conditions should appear in the driving test or in a reformed approach to driver training that encourages young drivers to get as much experience on as wide a range of roads as possible. Such young drivers have a lower risk of crash involvement in the key early months, as found in Sweden. Advanced driver training has also been suggested by the IAM, as a key component of any approach to reducing crashes—positive encouragement and awareness raising of how extra training can save the driver's life on a rural road.

For those concerned about learners in an urban context, for whom the countryside is half a lesson away, the reality is that inner-London drivers are less likely to

[Mr Mark Spencer]

come a cropper on rural roads than are Northampton or Nottingham drivers, and yet it is perfectly possible to get out of those towns for a rural experience. The test could reflect local driving environments and casualty reasons, rather than being a national exam in which instructors all focus on low-speed urban driving, such as reversing around a corner, to pass the test. It is worth noting that hardly any casualties result from anything currently tested by the DSA. While that could be a testament to the success of the test, that is unlikely.

Various post-training schemes exist, including the IAM's of course, but young drivers have little incentive to partake. I am not proposing graduated licensing, but anything that the Government can do to introduce and encourage continuous development will deliver reduced casualties.

Pass Plus was a start for the UK, but the Austrian system whereby new drivers have to undergo three training events in the first year seems more likely to deliver results—it also appears to go down well with the drivers. The training is not seen as an onerous task but as a normal part of building someone's skill as a driver—it is certainly worth studying for lessons that we could learn.

In conclusion, I ask the Minister again to look at the A614 and its accident record, but also at the role that young people play when driving on our roads. Anything we can do to encourage those young people to keep themselves, and ourselves, safe would be greatly appreciated. Thank you for the time.

4.13 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I congratulate my hon. Friend the Member for Sherwood (Mr Spencer) on his tenacity in standing up for his constituents, in particular those concerned with safety on the A614, and, more openly, for the whole issue of driving with safety on our roads. We have answered my hon. Friend's parliamentary questions and he has already met the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker), the Minister responsible for local roads. I am answering the debate today purely because of the road safety remit of my ministerial role.

I would like to touch on two aspects of the debate this afternoon: the problems of the A614, and what can be done with the limited funds available. I also pay tribute to the work of the local authority, the police and the other agencies in Nottinghamshire, which have done remarkably well on this stretch of road, in particular along the length of the road, taking 102 deaths in 2005 down to 24 in the first half of this year—24 too many, I fully accept. However, things are difficult in rural areas and, even when conditions are dry, bright and safe, and things are done with the road markings, as the coroner indicated, deaths still, sadly, occur.

In my previous incarnation as a rescue tender driver in the fire and rescue service in Essex, I attended all too many road traffic accidents. They involved young drivers in particular—something I shall come on to again in a moment—and people could suffer serious injuries, on roads that gave no explanation as to why the accident had happened.

The other day I experienced a horrendous accident—on the M62, I believe—in which someone was changing the wheel on their car. For no reason at all, a lorry swerved from the inside lane and completely wiped them out—very sadly, they were both killed. There was no reason. The driver was not drunk or under the influence of drugs and was certainly not exceeding his tacho hours limit, but for some unknown reason we sometimes have such accidents.

We can do a lot with education, in particular on this stretch of the road, perhaps, and not only is work being done as we speak on the Ollerton roundabout, but the local authority is now looking at whether average-speed cameras could be funded along that stretch of the road. I want to reiterate some guidance to do with speed cameras which I will be sending to all local authorities in the UK that come under my remit—there is, of course, a difference between speed cameras and average-speed cameras.

One of the things that the new Government have done in the past six months, with our restricted funding, is to say to the local authorities that, instead of hypothecating money specifically for speed cameras, we will let them make local decisions on local areas. They do not have to use some of the money specifically for speed cameras—they can if they wish—but they can spread the money across myriad road safety features. The old system meant that some of the money had to be spent on speed cameras no matter what, which skewed a lot of decisions.

What will happen now is that, if speed cameras are wanted, the local authorities can use the funding in that way, but we are saying, "Please, look at whether speed cameras are the only option, whether there are better options and whether, in particular places—this road might well be one—average-speed cameras could be used," if the authorities wish to reduce the speed limit from 60 to 50 mph. They would have to apply to me, as the Minister, to reduce the limit to 50, but if they did I would be minded to do so. However, if we do that, the indication must be that it is enforceable. With the limited resources that the police have—the police are very involved with accidents along the road, there is no point putting in a speed limit that we cannot enforce one way or another.

My theory is that if we had single speed cameras just staggered along a road, on a long stretch of undulating road such as this, if we were not careful, we would have people braking for the speed camera—everyone knows where they are—then speeding up and being away again. That adds to the problem. However, in certain circumstances, in particular on motorways, interestingly enough, but also on dual carriageways, we know that average-speed cameras have worked very well. Putting in average-speed cameras would be a new approach for such a road. There is an expense, of course, but the money is available in the existing budgets for local authorities, if they wish to use it in that way. It is very much their choice.

The Under-Secretary of State for Transport, my hon. Friend the Member for Lewes, when he met my hon. Friend the Member for Sherwood, indicated that it is not for central Government to tell local authorities the best way to address the situation. We can help; we can give guidance, but it is very much their decision.

Mr Spencer: That is the point that I am making. If we can find a facility to give Nottinghamshire county council an improved LTP3 settlement, it can find a means by which to solve its local problems at a local level.

While I am on my feet, I am grateful that the Minister has taken the time to come here today, but could he find time in his busy diary to come and have a look at the road? I would be delighted to show him the issues and for him to meet some of the residents who live near those junctions, so that he can experience the dangers that they face.

Mike Penning: I would be delighted to respond to that kind invitation. I love that part of the world—I know the Center Parcs to which he referred earlier very well indeed, from when my children were much younger. If it is not me, it will certainly be the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes, depending on our programme.

When we come to funding, things are difficult—improved funding means more funding, and my county would like that, the same as Nottinghamshire, but we have to look directly at what can be given and what can be spent. That is where the pressure of hon. Members and their councillors can ensure that the money is spent in the right, most feasible way.

I shall spend a little time on the serious subject of young drivers, particularly boys between the ages of 17 and 25—and in some parts of the country up to the age of 30. I was heavily involved in this matter not only as a Back-Bench Member when I first came to the House but in my previous occupation in Essex fire and rescue service.

It is the most horrendous thing for policemen, ambulance paramedics or firemen to see young lives being wiped out. There are times when there seems to be no logic to such incidents. I have been to many incidents that, to our knowledge, did not involve drink or drugs, and where the road conditions were fine and the vehicles were of a low horsepower.

The vehicle of choice for the young and particularly for boys is the Saxo or the Corsa. Such cars are not built for speed, although attempts may be made to change the baffles in the exhaust pipe to make it sound like a grand prix racing car. Nevertheless, those cars can speed quite well and with the wrong road conditions speed is one of the biggest problems.

We have been in government for only a short time but we are giving careful consideration to the driving test—I shall return to that subject in a moment—and to projects to educate young people so that they understand that they are not immortal. What fascinates me is that many young people who get into such difficulties when driving are intelligent.

I am sure that his family will not mind my mentioning this, because it adds to the debate, but a wonderful young man came to do some work experience for me when I was newly elected to the House in 2005. He had worked hard to become the head boy at the local comprehensive school and was going to one of the top universities, and I hope that his work experience with me added to his curriculum. After taking a morning exam, he drove down one of the country roads in my constituency. The end result was that he put the car into an oak tree. That happened for no apparent reason—apart from adrenalin, excitement, the thrill of driving and, not least perhaps, peer pressure from some of the others in the car. The old-fashioned phrase for that is showing off, but it puts other people's lives at risk as well as that of the driver.

I passionately believe that we can work with some of the measures introduced by the previous Government, including the six points rule, which is good. However, we must be careful. My hon. Friend touched on insurance, and I note that the fine for not insuring a young person to drive is vastly less than paying the insurance. I assure my hon. Friend that we are working with the Ministry of Justice to ensure that fines act as a deterrent rather than an incentive to remain uninsured.

We are working closely with the insurance companies to make it mandatory for vehicles to be insured. There are millions of vehicles on our roads that are not insured. People say, "Well, it's sitting outside on the road outside my house. I'm not using it. It's taxed but doesn't need to be insured." It has to be insured, because if someone decides to use it even for an emergency they will not be covered. We are moving fast on that.

I am very keen to have a national framework for educating young drivers on the dangers of driving. When I was on the Back Benches, I went to see a scheme in Cheshire called Drive to Survive. It is an excellent scheme. If my hon. Friend wants, I shall drop him a line telling him about other schemes around the country. The schemes are a bit of shock but have a little compassion; they shock young people, and not only those who have been breaking the law by showing them what they could have done to themselves and to those whom they love dearly. At the end of most courses, someone is there to tell how they lost a loved one, and to talk about sons or daughters who had been maimed or killed at the same age. I pay tribute to Mr Beatty in Scotland and Mr Kerr in England; both are to advise me from personal experience how that campaign works. We may have wonderful, big organisations, but I want people from the grass roots to work with me on how to skill up our young people.

I turn to the changes to the test that were touched on earlier. They are being implemented as we speak. People, and not only young people—this is so true—are trained to pass a test and not to drive. One thing that I have asked during the six months during which I have had the honour of being a Minister is the question, "Is the test fit for purpose?" Are we training people to drive in a fit and safe way so that they can enjoy the road?

That applies not only to cars and HGVs but particularly to motorbikes. Even though we have some of the safest roads in the world, our motorbike death rate is going in the wrong direction. Although we had only a 2% increase last year in motorcycle use, the motorbike death rate has increased by 4%, which is going in exactly the opposite direction of all other motor and cycling deaths. I have therefore announced a review, which is ongoing, of the motorcycle test. As my hon. Friend is aware, our undulating roads are a big problem for motorcyclists as well as car drivers.

The previous Government introduced the two-part test. Part of it was to be taken off-road. That sounds eminently sensible—ish—until one realises that the only way to get to the test centre is for those learner drivers to drive on the road. It can take anything up to two or two and a half hours to reach the test centre. Then comes the off-road test, and we have had some nasty

[Mike Penning]

accidents there. Those who fail are sent off home to drive on the roads again. It seems to me that if we are training people to drive on the highways and byways of this country, testing them on the roads is the best way forward.

Other things concern me about the car driving test. My hon. Friend insinuated—it was right and proper for him to do so—that those teaching people to pass the test are doing so in order to get paid and move on to the next test. As a result, they have learned the test routes. I know that my young daughter will not mind me saying this—I know that because I am always doing it, and sometimes in front of her. She passed her test first time. We live in Hemel Hempstead in Hertfordshire, and the test centre is at St Albans. She took all her driving lessons in St Albans. On the day of her test the instructor said, "Turn left; then turn right," and she smiled. She knew the route like the back of her hand. She will admit that that is not the best way to test people, and we are desperate to change that. I have therefore banned the routes being published. New routes will be worked in the test centre areas so that there will be no knowledge of the route; instead, there will be knowledge of how to drive.

Another change has been introduced. Once people have passed the test they are likely to drive on their own. My daughter came home after her test and parked the car. At about half-past 5 she went out of the front door, put the keys in the ignition and sat there for half an hour. Like a good parent, I was staring out of the window so that she could not see me, but eventually I went out to her and said, "What's the matter, mate?" She was crying. She was petrified. She had never driven a car on her own, yet the law—and I as the Minister—had given her a piece of paper that said, "Off you go. You're as good as everyone else on the road." That is not the case. We need to work with the Institute of Advanced Motorists, the AA and other organisations on post-test training, and to ensure that the test itself is fit for purpose.

I thank my hon. Friend again for introducing a subject that I would like to debate more often. People take an interest in their local community and its roads, and are concerned about the deaths and accidents that take place there. It is something that every Back Bencher should do. It is a great honour to stand here as a Minister and listen to someone who understands his constituency so well, who understands its topography and layout and who knows where the problems are.

Of course it is my hon. Friend's job to ask for more money, but with the limited funds that we have I must ensure that the money is spent on the right projects and that we do not pick on the same ideas each time but look outside the box. That is particularly so for rural roads, where white lining on the edge of the roads is so important. White lining has saved millions of lives—that is an overstatement, but it has certainly saved thousands of lives—since it was introduced in the 1960s. Some of those white lines are now wearing out, but white-lining technology has improved and we now have retro-reflective white lining that absorbs light and throws it straight back at the source rather than onwards. That sort of technology should be used, as it is very cheap. When we go to look at the roads in my hon. Friend's constituency—I do not know whether it will be me or my colleague—it will be interesting to see whether the white lining was improved at the same time as some of the other works that have been approved. On rural roads, it is very useful.

Finally, I turn to the cost of insurance. As a parent, I put both of my children on my policy, but they were not the main drivers. In many cases, however, children are the main driver, but are not listed as such. That is breaking the law, and it is not fair on the insurance industry.

Rebalancing the UK Economy

4.30 pm

Mr Mark Field (Cities of London and Westminster) (Con): Amid the feverish analysis of the size, scope and impact of the Government's chosen spending cuts, a fresh debate is emerging about a desirable blueprint for Britain's economic future. Such is the near-universal distaste reserved for financial services, that a determination no longer to rely on their economic contribution seems one of the few certainties in the debate. As a result, rebalancing is the new economic watchword. For sure, the financial crisis has painfully highlighted the UK's dependence on the City and our collective exposure to the risks taken by the global banking fraternity. My worry, however, is that the phrase is being used—even, I fear, by some Conservative coalition Ministers—for playing to the gallery as part of the general banker-bashing sentiment.

It is superficially convincing to promote attempts to stimulate growth more evenly through the regions, and stepping up our game in the innovation and incubation of companies in the high value-added areas of high-tech manufacturing, engineering, pharmaceuticals and biotechnology. I acknowledge my own part in that: I have played a role in ensuring the incubation of those small companies in the City of London. The Corporation of London is to be complimented for finding premises in double-quick time for such companies.

I wholly support the initiatives of the Government, in particular funding the £200 million science park in St Pancras. That is both welcome and highly commendable. However, we should be wary of how the aim of rebalancing is pursued. Unwisely, most of the focus so far has been on how we might shrink the City to reduce its relative importance, rather than providing a positive economic climate in which all other sectors can flourish.

Before we pursue what I believe would be such a dangerous policy any further, I wish to make the case why financial services must remain a central plank in Britain's bid for continuing relevance in a fast-changing global economy. A strong financial services sector is overwhelmingly beneficial to our nation. It will provide the critical mass to draw business to this country. It offers diversified sources of capital to small business. It makes huge contributions to the Treasury's coffers, in terms of tax and employment, and it supports a wide range of complementary industries, from law to leisure. It is also one of the very few areas where we might envisage significant growth in the decades to come.

The tens of millions of people who join the ranks of the global middle class annually from India and China have a greater cultural propensity to save, and they will seek expertise in investing their savings for the future. It seems evident to me that the entire drive for the west is directed towards capturing the growth of the developing markets. It is an argument that has been put to me in recent weeks by German industrialists. Here in the UK, we have already secured such an important competitive advantage. It is in the financial services sphere. Why throw that advantage away? Aside from that, there are several reasons for us to believe that the task of rebalancing might well prove trickier than we may wish.

It is time that we changed our attitude towards the City, from one of punishment, which has taken place in the past two or three years in the aftermath of the financial crisis, to hard-headed realism. How we treat our nation's most valuable economic resource in the years ahead will be a litmus test for international business in determining how serious Britain is in its wish to be dynamic and have an open economy that embraces global talent, promotes aspiration and welcomes business.

I hope that the Minister will consider this: the UK should perhaps, for example, look at the way that the Isle of Man has quite successfully rebalanced its economy through promoting new growth areas but, crucially, in a way that has not undermined or diminished the importance of its own very important financial services sector. The Isle of Man has embarked upon a diversification drive that has built a thriving hub for high-tech manufacturing, including aerospace, which of course has strong links to the north-west of England economy. It has created a propitious environment for world-class e-gaming companies; it has established world-class high-quality aircraft and ship registers and created a diverse and thriving space commerce sector, with many of the world's leading operators established on the island. Crucially, it has also continued to support—very vocally—and promote its successful financial sector, which is wholly compatible with, and supports, other sectors of its diversified economy. In essence, the Isle of Man Government have not picked winners at the expense of penalising other sectors, but have shown that they can build a balanced and diversified economy, while maintaining a strong and thriving financial services sector.

While the banking crisis was in full swing in 2008, it seemed that almost overnight the financial sector had become a useful scapegoat for all our economic ills. Many of the criticisms levelled at the banking fraternity have been legitimate, in part at least. The failure in that sector of the economy exposed the domestic taxpayer to such mind-boggling sums that it was, in many ways, scandalous, and seemed to confirm suspicions that the wealth created by the City was simply a mirage. Irresponsible risks were taken. Debt instruments certainly became too complex. Money was lent to those who could ill afford the repayments. Incidentally, I fear that one of the difficulties is when policy makers seek out so-called socially useful banking—the genesis of the sub-prime problem that occurred initially in the US and in the UK subsequently from the mid-1990s. Regulators—if not regulations—proved ill equipped at times for their job.

The City's dominance in the domestic economy in the past two decades had some wide-ranging social consequences. For a large proportion of British people working outside the gilded corridors of the financial services industry, the growth of the City's power increased the cost of living and reduced, at times, to just a wistful dream any prospect they may have had of getting on the housing ladder, except via colossal personal debt. It could also be argued that the City precipitated a brain drain from other professions and industries, with so many of our brightest and best graduates over the past quarter of a century tempted away by unrivalled starting salaries in the banking sphere.

In some senses, the City's success has merely masked—until its failure uncovered—some more fundamental problems that had developed in the western economies. Governments had been spending far too much money. As individuals, we had also racked up far too much debt. We found it cheaper and easier to buy cheap goods from abroad, import migrant workers and pay

[Mr Mark Field]

off our own citizens with welfare, rather than confront the difficulties of either finding sufficient employment for blue-collar workers who were losing ground to eastern competition, or tackling the dearth of skills among the indigenous population. I am glad to say that with some of our welfare policies, the Government are definitely going down the right route to try to counter some of those issues.

Neil Carmichael (Stroud) (Con): I do not think that it is inconsistent to have a thriving financial sector and other thriving sectors, including small and medium-sized businesses. Thriving businesses will deal with the problems to which you just alluded, in terms of migration, skills training and so on. A financial sector would welcome further opportunities to invest in its own territory and internationally. The two things go hand in hand.

Mr Field: I would not disagree with my hon. Friend in any way. It is the rhetoric, I think, of some policy makers, both in the present, but particularly in the past, that could have applied something of a barrier to that very ideal goal.

Rather than openly confronting some of those issues post-crisis, the implicit and perhaps all too easy assumption has been that, had the banking sector not collapsed through the profligacy and greed of some its employees and key players, we might have continued as we had before. There is also an assumption that to solve our current problems we need simply to return to what used to be the strength of a couple of generations ago—rebalancing the economy towards making things. The intensity of the rhetoric that has built up around the role of banks in the economy is such that politicians and even bankers themselves have often been unwilling to stand up for the sector.

Alas, that rhetoric has not subsided as time has passed. In fact, it is likely to intensify in the months ahead as the cuts bite and questions are asked about how and why Government money can be found to prop up the banks and pay out what I suspect will be another bumper round of bonuses this year while public sector jobs and services, as well as benefits, face the axe.

In response, Governments approach the financial services sector as something to be outwardly chastened, while they privately recognise its importance to the wider economy and rely on the continued income and jobs that it provides. In public, banks are told to lend to inherently risky start-ups—small businesses and first-time buyers. They are berated for trying to take the collateral that small business owners will often have tied up in their own property. At the same time, however, banks are told—indeed, they are required—to meet stringent new capital requirements. The new £2 billion bank levy is announced with a fanfare and the 50% income tax rate remains in place, yet the Treasury quietly acknowledges that it cannot put further pressure on balance sheets while storms are still gathering in the eurozone, which I think will be one of the big stories in the months ahead.

Anne Marie Morris (Newton Abbot) (Con): This is a very interesting and timely debate about financial services. I declare an interest as a former City lawyer. I note with interest that you say financial services include lawyers, accountants and so on. Given that your concern is about publicity, do you agree that sometimes it is what some of the professional services have done themselves that has given rise to those problems? Furthermore, do you agree that, although it is not so much a City phenomenon as one related to smaller firms, the "no win, no fee" approach that law firms have adopted—as I say, it is usually adopted by smaller firms—has not really helped the cause of financial services?

Mr Field: As someone who is also from the "former lawyer" fraternity—I worked for a City law firm and I know that my hon. Friend worked for another City law firm over the years—I agree. There are elements of the ethics of business that concern me; I have never been a wide-eyed supporter of everything that has been done in the context of the City. Equally, it is important to recognise the City's importance if this country is to get off its knees.

We witness, to an extent, the public baying for more blood after the banks have posted healthy profits, due, of course, to a combination of low interest rates, a lack of competition and a cut in corporation tax, yet the public are bemused when Government restrictions lead to increased bank charges for consumers.

David Mowat (Warrington South) (Con): The right answer to the question of how to rebalance the economy is not to shrink the financial services sector. However, the fact remains that we have the largest financial services sector in relation to the rest of the economy of any advanced economy; the financial services sector accounts for something like 27% of our economy. The interesting policy question is whether we want that percentage to increase as a percentage of the whole or whether we want everything in the economy to increase together.

I think that you also raised a point about the public relations problems that banks are suffering at the moment. Of course, banks have made a huge contribution to our economy, but during the last two years they have sucked in something like £150 billion-worth of Government money and they are not really answering the question about how they should restructure themselves. That question has been left to the Bank of England and others—whether through the Glass-Steagall Act, or whatever—to answer. Until the banks do that themselves, they will continue to be criticised over bonuses.

Mr Clive Betts (in the Chair): Order. I want to say something to the three hon. Members who have made interventions. It is fine that you made interventions, but on each occasion you have used the word "you" as part of your comments. This is just a small reminder—I did not want to stop you in mid-flow.

Mr Field: It is a credit to you, Mr Betts; it must be the informality of these arrangements that have allowed my colleagues to drop their guard somewhat.

I think that there is a lot in what my hon. Friend just said. As he rightly pointed out, in many ways a huge amount of money has been pumped into the financial services sector, yet there seems to be very little idea of what the global landscape of banking and finance will look like in the future.

The Government have a part to play in the process. We are, after all, majority stakeholders in two of the big four banks—the Lloyds Banking Group and the Royal Bank of Scotland—and we need to utilise that muscle to try to make a case for how the banking world should look in the future.

To some extent, there has been a somewhat confused strategy that has been of no benefit to the Government, the banks or the public. In essence, the risk is that we are now penalising our single most competitive economic sector, while somehow fooling ourselves that a miraculous rebalancing of the economy can occur by default. In truth, the rebalancing will only be threatened by diminution of the financial services sector. Let us not forget why, on the whole, a thriving City makes for a successful Britain.

Since time immemorial, the City of London has enjoyed an international reputation as a bastion of commercial certainty and reliability. It has promoted financial innovation, it has provided an international market for global merchants and in commercial affairs it has rightly been seen as a watchword for justice, neutrality and fairness. Of course, it also has a number of innate advantages that ensure that companies' loyalty to London runs deeper than just appreciation of its tax regime. Those advantages include, of course, a time zone that lies between those of north America and Asia, which makes the City an excellent base for international company headquarters, and the lifestyle assets of a culture, an excellent educational offering and a population so diverse that all can feel at home.

As a result, London has emerged as the global financial centre. Indeed, so successful has the British financial services sector been that it now contributes more than 10% of Britain's economic output. We should also remember that although the sector is focused in central London, a significant amount of its activity takes place in a range of regional centres in the UK.

Of course, it is not only banks that benefit from our financial sector but complementary industries such as law, insurance, retail and entertainment, as my hon. Friend the Member for Newton Abbot (Anne Marie Morris) pointed out. Our top-flight universities, the arts and the charitable sector also gain, the latter two from cultural funds or corporate responsibility grants that are, of course, often provided by the City's top banks and bankers. The presence of our large financial sector gives London the critical mass to attract the best professionals from across the globe.

Banking bail-outs notwithstanding, the financial services sector contributes massively to the Treasury's coffers in tax revenues, with an estimated contribution of £61 billion in 2008-09. Of course, it also contributes massively in terms of employment, with more than 1 million people employed directly in financial services across the UK.

The financial services sector also plays a critical role in supporting business, not only in attracting huge inward flows of foreign capital to help to fund our infrastructure but in propping up our companies and providing British companies with access to a diversified source of capital, to enable them to invest and expand.

Even if opposition to City dominance is practical rather than simply ideological, I suspect that it is unlikely any time soon that any other economic sector will be a world-beater in the way that the financial services sector is. I am afraid that the industries in which we are hoping to diversify are ones where competition will be very stiff. For example, the Chinese are as keen to develop their manufacturing capacity when it comes to green technology as we are.

Moreover, we should not assume that people in developing countries will start to spend their savings as the western world weans itself off debt and consumption. Britain is just one of the nations that have been pinning some of their hopes on export-led growth. However, despite a 20% depreciation in the value of the pound, the UK's trade deficit has continued to widen. Meanwhile, with uncertainty infecting the financial system, British corporations have shown little appetite for expansion any time soon, as they accumulate cash cushions instead of investing.

Neil Carmichael: Will my hon. Friend give way?

Mr Field: My hon. Friend will have to forgive me for not giving way; I want to say a few more things and I obviously want to hear what the Minister has to say in response.

I am not convinced that London's population is sufficiently equipped to deal with significant growth in new industries. Few people outside the capital may realise that, at 9%, London has one of the highest levels of regional unemployment in the UK. With Britain wedded to a model of high welfare and unemployment benefits, those living in the capital need to earn considerably more than the minimum wage to make it worth their while to work. As a corollary, it has of course been far easier in recent years to encourage hard-working migrants to fill the jobs that Londoners have been unwilling or unable to take up themselves. In the capital, a large proportion of the indigenous working-age population are without the skills or inclination to fill jobs of any kind.

Put simply, our financial services sector is a huge asset. With vast numbers of employees in the developing world entering the middle classes each year and earnestly looking for ways to save and invest, it is also one of the few sectors in which we can confidently predict significant growth in the years ahead. A nation of only 60 million people should be grateful to have one absolute world-beating industry that is, in normal times, incredibly lucrative and that feeds a wide range of other sectors.

By all means, we should focus on trying to help build up other sectors if we can, and on reducing the exposure of taxpayers to risk. However, economic diversification will not be an easy option and it should not lead to the neglect or diminution of the City. Indeed, if it leads to that, the task of diversification will become even harder. Global businesses and their highly skilled work forces do not necessarily have any innate loyalty to the UK. They will go where the legal, fiscal, regulatory, physical and social environment works best for them. I fear that the continued rhetoric of hostility towards banks and regulatory uncertainty only serve to deter such businesses. Why stay and put up with ever more grief?

In that respect, more pressing than diversification is the need to make the UK a place of possibilities, enterprise and entrepreneurship. It is not for this or any Government to pick winners and losers, or indeed to prop up losers and penalise winners. The continuing attacks on our financial services sector no longer serve any purpose. I understand the need, just before the

[Mr Mark Field]

election, to play a bit to the gallery—one had to recognise public sentiment—but we are now four and a half years from the next general election. I hope that the Government will have the confidence to make the case for our financial services industry. As long as we get the regulation right, we should not be fearful of confidently articulating the terrific benefits of a robust and expanding financial sector. Let us draw a line under this period of uncertainty and hostility while we still have that fantastic springboard to ensuring the UK's great relevance in a fast-changing global economy.

4.50 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I congratulate my hon. Friend the Member for Cities of London and Westminster (Mr Field) on securing this debate. He made some important points that I will address. I think that we all recognise that our financial and professional services industry is world-class and that the UK can rightly be proud of it. It affects every constituency in the country. For example, my constituency has more than 2,000 people who work in financial services and related professions—1,600 of them are in financial services—and Fareham is not the centre of the global financial sector. As my hon. Friend mentioned, the sector contributes to employment in regional centres. Belfast, Birmingham and Bournemouth all host processing centres that support the work of international financial businesses based in London and headquartered overseas.

For centuries, the UK has been at the heart of international finance. Our openness is an asset to our economy that we are keen to maintain. The recent global financial centres index once again ranked London as the most competitive financial capital in the world. We should seek to preserve and enhance that competitiveness, but it is also important that we do not lose sight of the other areas of our economy that make the UK an excellent place to do business.

It is right that we should support investment in areas of our country where it has been absent during the past decade. That is why, as part of the spending review, my right hon. Friend the Chancellor introduced the £1.4 billion regional growth fund to tackle the gap that opened during the last Government between the south-east and the rest of the country. The money is designed to lever in long-term investment in the capacity of our transport system, science and green energy across all parts of the UK.

I share the sentiment expressed in an intervention by my hon. Friend the Member for Stroud (Neil Carmichael). Many people, including me, have called for a rebalancing of the economy, but we will not achieve that by cutting down the tallest flowers; we need to make others grow taller and faster. I believe that we can have a more diverse economy and be home to the world's leading financial centre. Indeed, the fact that the UK is home to a global financial centre can help us develop that more diverse economy.

Going back to the roots of the City and its success, the City flourished because it supported trade through insurance of trade finance. It found capital to invest in new enterprise and developed new and innovative ideas to provide security and certainty for businesses and households. It is an important part of the process of restoring confidence in financial services for the City to reconnect with commerce. We need banks to lend to businesses if they are to take advantage of new investment and trading opportunities, but it is not only banks that need to do so. That is an important priority for this Government.

We welcome the work done by the British Bankers Association on that issue, involving commitments to improved data, greater transparency and an army of business mentors to get businesses ready for finance. However, we also need to broaden the sources of finance available beyond banks. We need sources of new equity. Banks will be contributing to a £1.5 billion equity fund to support growth, but we know that there are other sources of capital from equity, such as business angels. Insurers have raised funds to invest in debt for businesses. We need to lever the skills, enterprise and success of London's global financial centre to help businesses grow.

My hon. Friend the Member for Cities of London and Westminster referred to the opportunities emerging in the far east and South America. Again, the City has an important role to play, not only by exporting its own services to emerging and growing economies but by supporting other businesses in their attempt to exploit those markets.

However, support for the financial sector cannot be uncritical. As my hon. Friend recognised, there were flaws in City practices in the run-up to the financial crisis, as well as a failure of the regulatory architecture. We need to resolve those issues if we are to provide a stable foundation for the financial services sector to grow. That is why the reforms that we have set out since the formation of the coalition Government in May are rooted in economic and financial stability, not the size of the financial services sector. That is an important distinction to draw. We want a stronger, more stable structure. That will require a reform of regulation, but it is not about the size of the sector.

We have been clear in the reforms that we have introduced that we want more effective supervision and a new structure to tackle emerging threats to financial stability. That is why we are setting up a Financial Policy Committee as part of the Bank of England to consider emerging threats to our financial stability and determine what response is needed to enhance the stability and resilience of the UK financial sector.

David Mowat: Does the Minister agree with the comments made last week by the Governor of the Bank of England vis-à-vis the current structure of the banking sector in the UK?

Mr Hoban: It is an important debate, and there is no clear consensus on what structure the banking sector in the UK should have. That is why we decided to set up the Independent Commission on Banking, under the chairmanship of Sir John Vickers, to consider structure as well as competition in financial services. Over the course of the financial crisis, we have seen a significant concentration of financial services and the banking sector—there are fewer banks from overseas operating in the small and medium-sized enterprises sector, and Lloyds has taken control of HBOS—and we want the independent commission to consider that and decide whether structural changes are needed to improve the

resilience and strength of the banking sector, and whether we can introduce measures to improve the competitive landscape and provide greater choice for businesses and consumers looking for financial services products, whether they are loans, current accounts, business accounts or other products. We need to consider the structure carefully, which is why we set up the Independent Commission on Banking.

To return to the point about regulation, we recognise that there were flaws in the structure of regulation; that is one reason why we set up the Financial Policy Committee. We also want to examine how the Financial Services Authority operated under its dual mandate to consider prudential supervision and consumer protection. We decided to create two new regulatory bodies to replace the FSA. One is the Prudential Regulation Authority, which will be a subsidiary of the Bank of England and will focus on the strength and resilience of banks and insurance companies particularly; the other is the Consumer Protection and Markets Authority, which will ensure that consumer markets in the UK work effectively to support the long-term aspirations of consumers as well as considering how wholesale markets in the UK work. That is an important aspect of the financial services sector; a great deal of work on that issue is going on at an international or regional level through the EU, and it is important that the UK takes a strong lead in ensuring that those markets are regulated effectively. If we get the regulation of the financial services sector right—if we take steps to improve markets' transparency, resilience and strength—I believe that it will provide a firm foundation for the continued growth of the sector in the years to come.

On the diversity of the economy, we must recognise that there is more to our economy than financial services. We have strengths in other areas, partly as a consequence of language, time zone and other aspects of the UK. My hon. Friend the Member for Newton Abbot (Anne Marie Morris) referred to the legal system, which is a huge asset for businesses seeking to work here due to the legal certainty that comes from our world-class legal framework. We have a deep and highly skilled talent pool and strengths in pharmaceuticals, construction and business services.

We need all those sectors to grow, but their growth does not mean that we should diminish the size of the financial services sector. A strong financial services sector can help develop the diversity the UK economy needs to demonstrate that we have learned the lessons from the financial crisis. We cannot have an unreformed financial sector, given the scale of the crisis that we have been through. Reform has been introduced to help the sector's stability and resilience and produce a better outcome for businesses and households.

5 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 4 November 2010

[MR ANDREW TURNER *in the Chair*]

BACKBENCH BUSINESS

Work and Pensions (CSR)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Miss Chloe Smith.)*

2.30 pm

Miss Anne Begg (Aberdeen South) (Lab): I am delighted to have been given the opportunity, as Chair of the Select Committee on Work and Pensions, to open the debate, but I should thank the Backbench Business Committee, because this is one of the first Westminster Hall debates whose subjects have been chosen by that Committee. I pay particular tribute to the hon. Member for Colchester (Bob Russell) and to my hon. Friend the Member for Stretford and Urmston (Kate Green). They did not quite suggest the subject of this afternoon's debate, but they put in suggestions relating to this subject, and I think that the Backbench Business Committee decided that the impact of the comprehensive spending review on the Department for Work and Pensions would be a worthy subject for debate. I agree, because that Department is to suffer some of the largest cuts of all the Departments, in terms of both the percentage of its budget to be cut and the money to be saved.

The Department is to face a budget cut of £18 billion per annum by 2014-15. That is made up of the £11 billion announced in the Budget and a further £7 billion announced as part of the CSR proposals. However, the Department for Work and Pensions is different from other Departments, as most of its budget is in the form of money paid straight to people who qualify for one benefit or another. It is not managing budgets or delivering services as other Departments are. Much of its money ends up in the hands of real people, who spend it in their communities. The Department's annually managed expenditure depends on how much money is paid out in benefits, which is where the large cuts are to be made.

It is quite easy, if we say it quickly, to cut benefits. We just do not give people any money. That can be a tempting thing for Governments to do, but of course the people do not go away; they still need the money to live. By my reckoning, there are four ways in which it is possible for the Department to cut the annually managed expenditure. It can reduce the amount that is paid out for certain benefits. It can change the criteria to narrow the number of people who qualify for a particular benefit. It can time-limit how long a person can qualify for a benefit. It can abolish a benefit completely. If we look at the proposals in the Budget and in the CSR, we see that the Government are doing a bit of all four of those things.

It is worth remembering that the cuts are being made against a backdrop of rising unemployment as other cuts in the numbers of people employed in the public sector take effect, and it is during times of high unemployment that the Department for Work and Pensions spending goes up, as more people qualify for benefits—benefits that many feel they have already paid for through national insurance contributions.

More than half the benefit spending of the Department goes to people who are over retirement age. The basic state pension and pension credit, for instance, account for 50% or slightly more of the Department's budget. Generally, the benefits received by retired people are not being cut, although there will be some cuts in the benefits that they receive, because of the proposed changes in housing benefit and the mobility element of disability living allowance for people in residential care, and possibly the changes in relation to council tax. Perhaps the Minister can explain what those mean in reality, because I have found that quite difficult to grasp.

While I am talking about the council tax proposals, I want to point out that they seem to fly in the face of other things that the Government are doing. I am referring to their plans for a universal credit to make the benefits system much simpler and more straightforward, which I would certainly welcome. To devolve payments in relation to council tax down to local authorities, which will all have their own criteria, seems to go against the principle that I understand the Government are trying to create for the benefits system.

Of course, I never let a chance go by to get in my own gripe with regard to people over 65. Someone who happens to be my age and is a woman may have started her working life assuming that she would receive her basic state pension at 60. Until a few weeks ago, I thought that I would receive my basic state pension at 65. That has now gone up to 66, and I cannot be alone in wondering whether, by the time I approach 66, the age will be 67 or higher and I will never get the chance to retire at all. However, my constituents might make the decision for me sooner than that.

The result of protecting the elderly from the worst of the spending cuts is that the vast bulk of the cuts will fall on those of working age, on families and on people who are disabled or ill. For those groups, the cuts are much harsher and deeper. Where are the Government planning to make those cuts? I said that they could consider four areas, so I shall go through those one by one. First, they could reduce the amount paid out for certain benefits. The clearest example of that is the proposed cap on housing benefit payments. However, all benefits that are currently uprated according to the retail prices index will be cut over time, because they are soon to be linked to the consumer prices index, which is usually below the RPI level. That means that the value of almost all benefits will diminish.

Kate Green (Stretford and Urmston) (Lab): Does my hon. Friend agree that there is interesting research in that regard? Conducted for the Joseph Rowntree Foundation, it suggests that linking benefits to CPI will reduce by £1 a year the value of the incomes of families on safety-net benefits. For a person on jobseeker's allowance, for example, that will mean a loss of £10 over 10 years, representing between 15 and 20% of their income.

Miss Begg: I thank my hon. Friend for her intervention. Certainly I recognise the 15% figure. We are not talking only about benefits for those of working age. I was briefed this morning that if occupational pensions—both private and public pensions—are to be linked to CPI, the figure

[Miss Begg]

of 15% is not unrealistic. In fact, people on an average occupational pension could lose the equivalent of three years' worth of their pension if they were to live for the average time from retirement, which is 24 years.

The switch from RPI to CPI will, in the long term, mean that the amount of money that people on benefits receive is reduced. Let me explain what I find particularly perverse about the housing benefit changes. The difference between RPI and CPI is that CPI does not take account of housing costs. Again, perhaps the Minister can explain the rationale for why the CPI measure is being used for housing benefit when it does not take into account housing inflation, which runs at a higher level than consumer inflation.

As my hon. Friend the Member for Stretford and Urmston suggested, the change in uprating will also affect levels of child benefit, income support, jobseeker's allowance and incapacity benefit, as well as the employment and support allowance and the carer's allowance. The value of all the benefits in payment will diminish with the changing of the linking rules or the indexation to which they are subject.

There will also be reductions in what can be claimed in such things as the child care element of the working tax credits, as well as changes to the eligibility rules for the working tax credits. Some of those changes would also appear to fly in the face of the perfectly correct cause being espoused by the Government—to ensure that those who can work do work. However, some of the changes might put barriers in the way of getting people into work.

The second way that the Department can reduce spending on benefits is by changing the criteria, to prevent many people who would have previously qualified for the benefit from qualifying in future. We shall see people who have been on jobseeker's allowance for a year losing 10% of their housing benefit, or people in residential homes no longer qualifying for the mobility component of the disability living allowance. I am glad that it is the Minister responsible for disabled people who will be winding up for the Government, because of a phrase in the CSR attached to the announcement about the mobility component of the DLA for people in residential homes being cut:

"where such costs are already met from public funds".

Can the Minister explain what that means?

Does that phrase mean that some people in residential homes will keep the mobility DLA, if their costs of travel and transport, presumably, are not being met from public funds? However, I am not aware of any residential homes that have a travel budget. I am not aware that public funds are available. Some people in residential homes might get a taxi card, for instance, but like, I suspect, many others, my local authority is tightening its criteria: Aberdeen has decided that someone on the upper rate mobility DLA does not get a taxi card. Anything that I can think of that might be the provision of travel from public funds does not, I think, apply to people in residential care.

On the issue of residential care, it is worth remembering that, generally, people in residential care who are on the mobility DLA will be a younger cohort, because people do not qualify for a DLA once they are over 65. Many of them might be in work—their care needs might require them to be in a residential home, but they might have work or go out daily to day centres or whatever. Without the DLA, they would not be able to get out of the confines of the residential home. Sometimes there is a perception that someone who lives in a residential home is elderly and not able to lead a fulfilling life, but nothing could be further from the truth. I would welcome some clarification from the Minister on that point.

Probably the best example of the Government's changing the criteria to exclude previous claimants is the move from incapacity benefit to employment and support allowance. This migration was always on the cards—it was introduced by the previous Government—but I get a sense that some of it is being accelerated. The other thing that is different is the numbers involved. The number of those whom the previous Government thought might lose out as a result of the migration appears to be quite different in reality, certainly in regard to the new benefits. At the moment, we do not know the actual figures for the number of people currently receiving IB who will no longer qualify for the new employment and support allowance. The first trials of the migration are taking place in Aberdeen and Burnley, and it will be at least a couple of months before we have any robust figures and find out how many people are not getting through the new gateway.

The Government expect somewhere between 30% and 40% of IB claimants will not qualify and will therefore end up on jobseeker's allowance. For those individuals, that is a loss of £20 a week. What makes me doubt whether that is the final figure is that we know that the number of new claimants qualifying for employment and support allowance is much less than the previous Government were projecting. While they thought that 20% might end up on the support element of the ESA, the figure is much lower, at around 4 to 6%, and it looks as though around 60% will not be getting ESA at all, because either they have dropped out of the system or they have been awarded jobseeker's allowance. As many as 60% of those who are currently on incapacity benefit might not qualify for the new ESA, therefore, but, as I said, the trials are going on in Aberdeen and Burnley, and we will have the figures in a couple of months' time.

Damian Hinds (East Hampshire) (Con): Does the hon. Lady think that the change in those numbers is as a result of a change of Government or of the experience of having run the pilots?

Miss Begg: The original numbers I gave were those projected by the previous Government for new claimants, but they did not work out in practice—even for the previous Government. In other words, the work capability assessment, which is the test acting as the gateway to getting the benefit, is turning out to be much tighter than either the previous Government or, I suspect, this Government were expecting.

The figures are quite different from what the previous Government expected. I do not have any evidence to suggest that the new Government were expecting anything different. However, the reality is that many fewer people than expected are getting through the gateway of the work capability assessment, and they are accessing either the support element or the work-related element of the ESA.

There has been a lot of criticism of, and a lot of research has been done by organisations such as Citizens Advice—nationally and in Scotland—about the operation of the work capability assessment. At the moment, I am not sure that it, as an assessment tool intended to look at employability, is very effective in determining who is fit for work and who is not.

I was not going to go into the issue, because it is probably a debate for another day, but part of the problem is that illness and disability are being mixed up. So, people who are ill at the moment are being declared fully fit for work when, clearly, they cannot work—but that is not to say that they would not be able to work in the future. The assessment also does not take into account the employability of an individual—because the end of the whole process is to get people into work, if they are not employable and employers will not employ them, then the process will have failed.

Neil Carmichael (Stroud) (Con) *rose—*

Kate Green *rose—*

Miss Begg: I give way to the hon. Member for Stroud (Neil Carmichael).

Neil Carmichael: Thank you. Will the hon. Lady welcome, when it comes, the report of Professor Malcolm Harrington on the work capability assessment? He was appointed by the Secretary of State for Work and Pensions in the summer, and he will be reporting shortly. She might find some good news in the report, in the context of what she is saying.

Miss Begg: I certainly hope so. I was not intending to go into the WCA and its faults, but the hon. Gentleman tempts me. I am looking forward to seeing the report by Professor Harrington. However, there is concern that by the time he reports, whether at the end of this month or the beginning of next month, the trial in Aberdeen and Burnley will be coming to an end, and there will not be a lot of time to change things. There might be time to change the procedure, but not to put in place any major changes in how the work capability assessments are carried out before the full roll-out begins in March or April next year. The volumes will be quite large and it will be interesting to find out, in Aberdeen in particular, whether Atos Healthcare can manage the volumes that will be coming through. It is a big process, but there are still some fundamental flaws in how the work capability assessment is in operation.

Does my hon. Friend the Member for Stretford and Urmston want to intervene?

Kate Green: No—the hon. Gentleman for Stroud asked the same question.

Miss Begg: That leads me to the third way in which the Government are planning to cut the benefits bill: limiting how long a person can be on a particular benefit. Even if a person is successful in being assessed as only partially fit for work, and qualifies for the work-related activity part of the employment support allowance or ESA—it gets no easier to say, but I do not know another way of doing it but to use acronyms or to give the full title—the CSR proposes that they will qualify for the contributory element for only a year. That means that people who have worked all their lives, and paid their national insurance contributions in the hope that they will act as an insurance against ill health, will get the benefit for only one year unless their household income is below the qualifying level for income support.

That poses the question of how much the Government want to continue with the contributory principle. Already, people receive unemployment benefit, or jobseeker's allowance, for only six months, and the contributory element of ESA is to last only for a year, yet they will have worked all their lives thinking that was why they were paying national insurance.

Lone parents will qualify for income support only if they have a child under the age of five. After that, they will be moved to JSA. If they do not get a job within a year, they will lose 10% of their housing benefit. I have been told by several Ministers that the Work programme will result in people being helped back into work. However, the lone parent whose youngest child has turned five will not go into the Work programme for a year. That is when lone parents are to lose part of their housing benefit.

Here we have an individual who has done everything that the Government have asked of her, or him. Such people will have turned up to all the work-related activities and may have moved house to find somewhere cheaper so that they are at the 30th percentile in the housing benefit changes. They will have done everything that the Government have asked of them, but in these economic times they simply cannot find a job. It is not that they have not tried. They will have been to lots of interviews, but not managed to find a job. Even then, they will still lose their benefits.

That is a fundamental change to our welfare system. Sanctions and taking benefits from people has always been linked to negative behaviour—the individual not doing what the Government ask of them. The worrying message that the Government may be sending out is that even if people do the right thing they could still be in danger of losing part of their benefit.

Kate Green: My hon. Friend is absolutely correct to say that there is confusion, with people doing the right thing but still facing sanctions. Does she agree that it is illogical to sanction one benefit in respect of behaviours that are desired in connection with participation in the labour market but that are covered by other benefits—in this case, the jobseeker's allowance—and with no suggestion that the individual will necessarily be facing a sanction?

Miss Begg: My hon. Friend is absolutely right; the issue seems to arise particularly with sanctions on housing benefit. When giving evidence to the Select Committee yesterday, Lord Freud suggested that sanctions on housing benefit would follow people wherever they went. The only way for them to get rid of the sanction would be to find a job, but some might simply not be able to do so. It could depend on where people live, as in some areas it is difficult to find a job.

Mr Oliver Heald (North East Hertfordshire) (Con): I am pleased to hear that the hon. Lady will not be retiring. It is good news for our Select Committee, as she is an excellent Chairman. What is her take on the fact that, for the first time, we are to have a really focused Work programme and a universal credit? That will remove many of the problems with withdrawal rates that the Committee highlighted in the past. Of course it is an expensive thing to do, but it is the right thing to do. Is it

[Mr Oliver Heald]

not right to praise the Government for doing that rather than concentrating on the cost savings that need to be made to make it affordable?

Miss Begg: I shall call the hon. Gentleman my hon. Friend, as he is a member of the Select Committee. I shall deal with the universal credit in a moment. However, my hon. Friend is right about the Work programme.

The point is that the Work programme does not kick in until people have been out of work for a year, unless they have come through the incapacity benefit and employment and support allowance route or unless they are young and unemployed, when they will come into the Work programme after six months. The sanction will kick in before the individual has had the very expensive help that we hope the Work programme will rightly provide. It is a combination of there possibly not being a job and there not being any specialist help. Even if the youngest child has just turned five, lone parents might have been out of the workplace for 20 years looking after the older children. They will need extra help, but they will not get it because the Work programme does not kick in until the year is up.

Simon Hughes (Bermondsey and Old Southwark) (LD): All Liberal Democrats support the Work programme—it is focused on the need to do things—and everyone understands incentives to get people into work and out of the benefit trap. However, I and many of my colleagues share the hon. Lady's concern about there being an absolute rule that when people have been out of work for a certain time they will lose a certain part of their income, through no fault of their own and irrespective of the job market in their area. It is too absolute, too draconian and too firm. I hope that the hon. Lady's measured argument about how it will have more impact on some than on others, together with the arguments put by my colleagues and me, will persuade the Government that this is one area that should be revisited in order to find a different answer.

Miss Begg: I echo that point. In many cases, we are not arguing about the principle but the detail.

The last way in which the Government can save money is to do away with some benefits. This aspect has both positives and negatives, as we heard from my hon. Friend, the hon. Member for North East Hertfordshire (Mr Heald). Extra money has been identified in the CSR, and £2 billion will be set aside over the next four years for the introduction of a universal credit. That will get rid of many benefits, and probably almost all working-age benefits, which will be subsumed into the universal credit. That is the right thing to do, and it certainly takes us in the right direction of travel, but as with all these matters the devil is in the detail. I look forward to the White Paper, which I hope will give more detail on how things should work. I hope that, within the next couple of weeks, the Minister will give us some indication of when it will be published. We are all waiting with bated breath, as it will make sense of some of the other things that the Government have been doing.

Richard Graham (Gloucester) (Con): Given the hon. Lady's approach to the difficult question of restructuring benefits at a time of economic depression, from which we are slowly emerging, does she accept that for some of us the concept that benefits can only ever increase is philosophically difficult? For instance, in my constituency of Gloucester 10,000 jobs in the private sector were lost during the five or six years between 2004 and 2009, wages went down in many companies and people often worked fewer hours and fewer days to enable companies not to cut jobs. Charities prefer to see housing benefit linked to RPI rather than CPI, but RPI went down sharply in 2008-09. Does the hon. Lady not agree that, in that situation, benefits paid from taxpayer revenue have to be tailored according to how much is available—

Mr Andrew Turner (in the Chair): Order. Interventions should be relatively brief.

Richard Graham: I apologise, Mr Turner. Does the hon. Lady agree that in this situation, whichever party was in power, it would be incumbent on the Government to find ways of reducing the ever-increasing benefits bill?

Miss Begg: There is no dispute about the fact that we would like to see the benefit bill reduced. The best way of doing that is to get those who can work into jobs so that they do not need benefits on which to live. As for pensioners, the Government, with their triple lock, have taken the decision that they do not want to see them getting less benefit. That is partly why the cuts have fallen so heavily on working-age people. The Government have protected benefits and increases in benefits for those who are on the basic state pension and other related benefits. They have made a value judgment and decided that some people deserve increases in their benefits while others do not.

Let us not forget the bigger economic argument. Poor people will spend their benefits in the local community. Problems can arise if benefits are cut: the money going into the local economy drops, jobs are lost and shops close. Cuts will cause problems in the local economy. Very often it is the benefits' pound that keeps many things working in some of the poorer communities. There is not an absolute answer as to whether benefits should go up or down depending on the economic wealth of the country, but there is an absolute measure of poverty in which we should not expect people to live. Sometimes, some of our benefits are at a level that keeps an individual living in poverty.

Sajid Javid (Bromsgrove) (Con): The hon. Lady said that when benefits are paid to individuals, the money is used in the local economy, and that that can somehow be helpful. I have heard such comments quite often and they are based, I believe, on an economic fallacy. If the Government did not make payments—benefits or otherwise—the money would not be borrowed by them in the first place, and those who had lent the money would have spent it in the economy anyway. Such a point is worth making because we should base our discussions on the known facts.

Miss Begg: We live in a welfare state and a civilised society, and we have benefits that are paid to people who are in work as well as to those who are out of work. One reason why we take such decisions is that we believe that it is bad for a society to have an enormous gap between the rich and the poor. That is partly why we have our tax and benefit system.

Mr Marcus Jones (Nuneaton) (Con): The hon. Lady is quoting a system that she appears to support, but is it not the case that over the past 13 years of the Labour Government, in which this type of policy was actively encouraged and pursued, the gap between rich and poor widened?

Miss Begg: The rich have got richer, which I would have thought the hon. Gentleman would welcome. The poor have also got richer, but the gap is wider because of what has happened at the top end. There is no doubt that those who live in poverty have a relatively higher income than they would have done without the measures that the previous Government put in place.

Richard Graham *rose—*

Miss Begg: I had better make some progress. I was going to read out a list of other organisations, but I need to make some progress. I am sure that other Members have lots of concerns to voice from organisations such as Mencap, the Centre for Economic and Social Inclusion and so on. However, I have spoken for longer than I meant to. I thought that I had a 10-minute speech, Mr Turner, so I apologise.

In conclusion, the cuts in the DWP budget are not just to bureaucracy. They are far more profound than that. It is the benefits themselves that have been cut. The running costs of the Department are small in comparison to the costs of benefits paid. The DWP has already stripped £2 billion from its daily expenditure, so it is already quite efficiently run, which is why the big cuts have to come from the money paid out to individuals. None the less, behind the figures that I have mentioned are real people leading real lives. Finding £6 a week to make up the shortfall between the amount received in housing benefit and rent costs might not seem a lot to us, but it is a huge amount for someone who only receives £65 on JSA. That £65 has to cover all other living expenses, utilities and food.

Most people would feel the loss of £50 a week towards their transport costs. How much more acute is that loss for people who live in residential homes? Such people are to lose the mobility element of their disability living allowance. When their total income is only £22 a week as a personal allowance, how will they get out and about at all? I have given just two examples of people who will be directly affected by the cuts, but there are many more individuals who will be hit. Whatever Members believe philosophically about what the Government are doing, such individuals will have less income as a result of these decisions. It is beholden on all of us as politicians to recognise that for some of our constituents, life will be very hard as a result of the decisions in the comprehensive spending review. Even if Members believe that the Government are doing everything right, they should please remember that some of their constituents will have a really hard time in the years to come.

3.6 pm

Mr Oliver Heald (North East Hertfordshire) (Con): The Chairman of the Select Committee has set out many of the arguments that are regularly deployed about the sort of cutbacks that are having to be made given the economic situation that this coalition Government inherited—the largest deficit in the G20 and a doubled national debt. However, she misunderstands, I think, what the Government's ambition is. The Government have a grand ambition to help people into work and to provide incentives for that and the necessary help.

If we think back over the Labour years, one of the things that was most disappointing about them was that, at the end of the period, we had 3 million households in which nobody worked. Adults of working age may have lived there, but nobody worked. Many of the people concerned had never been approached about working. They had been on benefits for years and had not really had any help to try to get back into work. That is what this ambition and plan is about. The Work programme provides something that the Select Committee has been talking about for years—I am glad that the Chairman has welcomed it—which is a personalised service to help people back into work. I agree that there are some people who would benefit from having that help earlier in their job search than is currently proposed. The worry is that if we start the system at six months, we will not get any of the benefits of deflection. The fact is that many people find work in the second six months of job search.

Julian Smith (Skipton and Ripon) (Con): Does my hon. Friend have any ideas for jobcentres? They could take some practical and easy measures before the Work programme kicks in to help people get back into work.

Mr Heald: I do have some suggestions. If one talks to providers—the big companies that provide these employment services—young people who are looking for work and employers, the one thing that they all say is that young people are bad at applying for jobs. When the future jobs fund was in operation, the employers' reaction to it was generally quite favourable, but the one point that they almost all made was that the applications were poor. If one talks to job providers they will say that young people who have been out of work for six months will still not have a CV that they can leave with an employer. That is a classic thing that everybody knows about, and yet young people are not good at it.

The time has come for the Government to work the way that young people work: to put online simple information about writing a CV and how to get into work. Somehow, we are still missing that vital information. A lot of research shows that helping a young person with a job search early on, with simple information of that sort, is extremely helpful. It can be done through jobs clubs, a fantastic big society initiative happening in many parts of the country. That is just one idea on that subject.

It is refreshing to read Save the Children's briefing for this debate. Although I do not agree with everything in it, it does something that is a model for an organisation. Save the Children, a marvellous organisation, at least starts its briefing with the good news, saying that the Government are doing some things that it strongly supports. If other organisations that send briefings to MPs were more realistic and acknowledged the good—the intent—and then went on to say what they did not like, they might find that they are more persuasive. I notice that the hon. Ladies do not agree. It is important to be realistic in this debate and not to over-state one's case or make dramatic claims that are not borne out by the facts.

[Mr Heald]

I want to ask the Minister whether universal credit is a big bang initiative, where we will have a sudden launch with the new system explained to people—or whether it is proposed to have a transition, where a portfolio of benefits gradually moves in that direction, with the withdrawal rates being lowered and the earnings disregards increased. What is the conception behind that process?

Turning to the Work programme, I want to make three points. The first is that at the moment there is a patchwork of schemes continuing. We have got half the country covered by the flexible new deal; we have many cities with employment zones; we have the new deal for disabled people in some places—contracts are just finishing on that; the future jobs fund is running for a bit longer, and so on. It seems that there is a ragged gap in time between the ending of a lot of these programmes and the start of the Work programme. I wonder whether there is any scope for running on some of those schemes, or finding ways of employing the people who work for the big provider companies in that gap. It will obviously be very disruptive if the Work programme starts with quite a lot of people who have not had the help that they would normally have had. Contractors will have to wind down their staffing levels and then crank them back up again over a two or three-month period. I am interested to know if the Minister is at least looking at the gap.

The second point I wanted to make is about the work capability assessment, which the Chair of the Select Committee mentioned. It is concerning that 40% of people affected are now appealing. That may be expected with a system that is starting anew. I think the review is very welcome and I hope that it will deal with some of the problems that have been identified. It is excellent that there is a panel now, with Paul Farmer from Mind on it, which is a very good idea. I wonder whether there is not another problem. I understand that research shows that in some parts of the country, the system works reasonably well and there are not too many problems, but in London there are a lot of appeals and a lot of concern is expressed about the way that it works. Part of the problem may be that adequate attention has not been paid to the needs of minority communities.

Alison Seabeck (Plymouth, Moor View) (Lab): I agree with the hon. Gentleman on that point. I think there are regional disparities in how some of these measures have been brought in, although there are underlying national problems. Certainly, in Plymouth I have met women with terminal cancer who have been sent for interviews in Bristol. Surely, the hon. Gentleman would agree that that is not right. There is a significant problem outside London, and it is not specific to minority communities.

Mr Heald: Yes. These are the two worst examples I have heard. One person had terminal cancer, and the other attended a provider for a work discussion session with a drip. I think those problems have been ironed out to some extent. I hope that the review and the panel will help. There is possibly an issue about communication between the assessors and the people being assessed. Certainly in London, there are quite large minority communities, and I have been told by providers that one of the problems can be that Atos will have an assessor for whom English is not his or her first language, and the person being assessed may not have English as a first language. Apparently there have been quite a lot of problems as a result. Will the Minister consider whether there is a need to look at the question of communication, in London particularly?

Natascha Engel (North East Derbyshire) (Lab): Although I do not dispute the point raised by the hon. Gentleman, I do dispute the disparities around the country. In the Adjournment debate I had last week, we heard that organisations that had taken people to tribunal to appeal against assessments in Oxford had had over 90% of them overturned. In Derbyshire, people supported by welfare organisations have a 75% success rate. That goes to show that the issue is the involvement of welfare rights organisations rather than a question of minority groups.

Mr Heald: The hon. Lady makes her point. There is some research, which I do not think has been published yet, that looks at the eastern region and London. It comes to the conclusion that the work capability assessments are working far better in the eastern region than in London. Talking to providers about why that might be, they raise the point that about a third of the population in London comes from minority communities. I thought the Minister might want to look at that issue.

My next point is one I mentioned before about getting CVs and help to young people early on. I made the point about going online. I hope that that is something that the Government will look at.

With regard to the movement from incapacity benefit and employment and support allowance on to jobseeker's allowance, one issue that needs to be looked at is the fitness of our work force and the people who are moving from one benefit to the other. There is no doubt that there are a lot of people who start off with a back condition or possibly stress, and it is not treated quickly enough and becomes a chronic condition. I have made that point in debates such as this for years, and I think it is time that the Department of Health and the DWP looked more carefully at the issue of fitness. About two years ago, Dame Carol Black produced an excellent report about fitness and the work force. I know that she is still involved and I hope that it will be possible to build on her work and try to do more in this area, so that we end up with a work force who are fitter.

Miss Begg: Another problem is where employers employ occupational health professionals to assess people, and assess them as not being fit for work, when Atos has assessed them as fit for work for the work capability assessment. That is acting as a barrier very often for employers to accept people into the work force.

Mr Heald: That is right. Another point to make is that the Department of Health has a major group working on the issue of fitness, including aspects of fitness at work. I think that is something that the DWP should also be involved in. It should be a joint exercise, and Carol Black's work should be continued.

I want to make a point about the consumer price index, and then a few general remarks. The consumer prices index is the European measure of inflation. There is no doubt that the retail price index distorts the

measure, by including mortgage costs, which are erratic. I believe that in the longer term CPI is the better measure, and I understand that in Europe there are discussions about how to include housing costs in it. Over time CPI will be improved, whereas RPI has been rather erratic over the years, and has often led to poor results.

The overall effect of the changes is to give value for money to the taxpayer. It is an issue of fairness. I know that people say, "Housing and other benefits are being cut, and that is unfair on individuals who may have to move or who will have to negotiate with their landlords for a lower rent." I understand that argument, but how can we explain to someone who takes home the average wage of £374 a week net that in difficult economic times, when they are hard pressed, it is right to spend more than £20,000 a year housing someone in a better house than they can afford? It is a hard argument to make.

Glenda Jackson (Hampstead and Kilburn) (Lab): One can explain it by pointing out to them that the majority of housing benefit claimants are not living in properties of four bedrooms or more, and that the amount that the Government are presenting as the mean average for housing benefit claimants is wildly exaggerated, as I am sure the hon. Gentleman knows.

Mr Heald: The hon. Lady will have seen the briefings from certain organisations; I know she has read them. She will see in there the examples that are given – a family paying £400 a week in rent is a classic example. To someone who takes home £374 a week net, £400 sounds an awful lot of rent. That, of course, is the maximum.

Alison Seabeck: A number of the people who currently pay those higher rates moved into the areas where they live and into that type of accommodation 20 or 30 years ago; they have worked in low-paid work. The areas have gentrified over time and housing rents have gone up. That is not their fault. Their roots are there, and the expectation from the changes is that those people will be moved out of those areas, which is deeply unfair.

Mr Heald: I would contest what the hon. Lady says. Of course, it is true – I see the hon. Member for Bermondsey and Old Southwark (Simon Hughes) in his place, and I have a long connection with his constituency – that there are areas in London that have gentrified and changed over time; I agree. However, the sector of the market that we are discussing – the private rented sector – is not the one that the hon. Lady is really talking about. The private rented sector is the area of the market where people do not stay for 27 years. They move, regularly. It is a sector of the market in which people stay for a year or two. Something like 40 per cent. of that market is people who have been in their homes for less than three years.

Simon Hughes: The hon. Gentleman is right; he knows Southwark as I do. However, the pattern is not uniform, and the hon. Member for Plymouth, Moor View (Alison Seabeck) has a good case. To give one example, just over the bridge is a square called West square, where former Prime Ministers and Cabinet Ministers have lived. However, some of the houses, which are all privately owned, have been lived in by working-class families, who lived there all their lives. They are privately owned and rented, and have continued with private tenants. Scattered throughout my constituency, as well as Westminster and every London borough, are considerable numbers of people who have been for between 10 and 50 years in private sector rented accommodation, and who do not want to move.

Mr Heald: The hon. Gentleman knows Southwark like the back of his hand, and I accept that there are people who have been in the private rented sector for many years, but that is not the overall picture of that sector of the market, which is one of shorter-term lets. Of course, the nature of the contracts on those properties is short term.

Of course there should not be undue hardship. I agree with the hon. Members for Hampstead and Kilburn (Glenda Jackson) and for Plymouth, Moor View (Alison Seabeck), and with my hon. Friend the Member for Bermondsey and Old Southwark, about that. That is why there is a fund to deal with cases of hardship. The Government have not gone into it saying, "This will be a harsh regime, with no possible exceptions." They have set aside £140 million to deal with those problems.

I think that it is wrong to overstate the problems against the background of the very difficult economic position that the country is in and the need to make cuts – any Government would have had to make cuts. There is a third point, which is that there must be fairness. We are all in it together, and I think that the balance that the Government have achieved is fair. It is wrong to view what is being done as though the overall ambition were to cut back the size of the state. The overall ambition is to get people into work. If we do that, that is how we will cut the welfare bills. I think that, with the economy and the measures that are being taken, things are looking quite encouraging.

3.25 pm

Damian Hinds (East Hampshire) (Con): I congratulate the Backbench Business Committee on a continuing series of important debates. I congratulate, too, the hon. Member for Stretford and Urmston (Kate Green) and the hon. Member for Colchester (Bob Russell) on their role in securing it, as well as the hon. Member for Aberdeen South (Miss Begg) on laying out the issues as she did. As she said, behind the statistics are real people and real lives, and there are concerns about many of the issues. Many hon. Members will have had correspondence about, for example, the mobility component of disability living allowance. It will be interesting to hear the Minister's comments, and I hope we shall receive reassurance about some of those things.

Although the debate is about the effect of the CSR on the Department for Work and Pensions, I suggest that, given the bold programme of reform that is being undertaken, it is not practical fully to separate the impact of the spending review and the deficit from what I accept is theoretically a different question – that of reforming benefits for the long term. There is also a distinction to be drawn between the direct and indirect impacts of the CSR on the DWP.

Among the things that strike those of us who are new to the public sector are the crazy names that get bandied about. One is "annually managed expenditure". It is crazy because that is precisely the expenditure that cannot be managed on an annual basis – at least not

[Damian Hinds]

from within Departments. The key focus of the CSR, ultimately, is to build a sustainable recovery, and then steady growth, keeping interest rates low, which encourages investment and in turn creates the right atmosphere for job creation. That focus on growth could ultimately deliver the biggest single impact of the CSR on the bills that the DWP must foot; because as the hon. Member for Aberdeen South said, the best way to bring welfare bills down is for fewer people to be out of work.

The deficit that the new Government inherited requires economies. I know that the Opposition would like the running up of the deficit to be yesterday's story, and the debate to move on to the cuts and how terrible they are; but they are not different stories. They are two sides of the same coin. If the Opposition do not like the cuts that must be made, fine, but they should tell us the alternative—not "Oh, maybe we could do it a little more slowly, or the bankers could pay a bit more" or talk of 10 or 20%. Let us see the 100%. Where are their £44 billion of cuts?

That is the last party political thing I intend to say. From now on I want to strike a more consensual tone. There are four key issues on which the Conservatives and Liberals in the coalition, and Labour—or at least new Labour—find considerable common cause. First, with an ageing population, and relatively low levels of retirement savings, too many citizens in our country have been facing old age without the security that they should be able to look forward to. Secondly, certain working age benefits have gone out of control—particularly housing benefit, the cost of which has risen from £14 billion to £21 billion in a decade.

Thirdly, a lazy approach from the state has abandoned too many people, who get reclassified as being unable to work and therefore—coincidentally, of course—are removed from the headline unemployment statistics, leaving them without practical help, support or encouragement.

Finally in my list of four factors, as a nation we have allowed a benefits system to build up that overall simply does not do enough to incentivise work. Along with other factors, that leads to pockets of multigenerational unemployment and homes where children grow up never seeing an adult go out to do a day's work. Too easily, of course, those children can then slip into what we used to call "youth unemployment" but now, thanks to another fantastic rebranding exercise, they are called NEETS—those "not in education, employment or training".

All of that is happening at a time when policy makers and business men bemoan their inability to find people to fill their existing vacancies, not only at the highly skilled end but at the low-skilled end. Instead, they have been looking and continue to look for people from abroad to fill those vacancies.

These issues are truly pressing because they are long-term structural issues which are quite apart from the structural deficit, although they have of course contributed to that deficit.

I am pleased to say that there is less of a partisan divide on these issues than one might imagine from reading *The Guardian's* Society section since May. As I said earlier, I want to strike a bipartisan note in this debate and I am sure that Opposition Members will want to follow that approach. I know that they will want to join me in paying tribute to the spiritual fathers of these welfare reforms. Of course, I refer to the Secretary of State for Work and Pensions, my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), the Minister of State, Department for Work and Pensions, my hon. Friend the Member for Thornbury and Yate (Steve Webb), alongside the Opposition Members' own erstwhile colleagues, Mr John Hutton and Mr James Purnell.

On pensions, it was the Turner report, which was commissioned by Labour, that was indeed the turning point in the debate. Automatic enrolment, increasing the rate of growth of the state pension and raising the retirement age are all changes whose origins came on the watch of the last Government and, of course, enjoyed support across the House. The new Government are moving faster and I welcome that.

Then there is the case of the retirement age. Sadly but necessarily, given that there is still increasing life expectancy—to be clear, increasing life expectancy is itself a good thing, of course—and the triple hurdle for the formula for the uprating of the state pension, the coalition is now finally starting us on what will be a long road to providing a basic state pension, with less reliance on means-testing.

On housing benefit, the 2010 Labour manifesto read:

"Housing benefit will be reformed so we do not subsidise people to live in private sector accommodation on rents that working families could not afford."

As I do not think that I can improve on that sentence, I will not try to do so.

Of course, there will be some hard cases and that fact is recognised; indeed, it would be foolish to pretend otherwise. No one welcomes the difficult situations that some families will find themselves in, and I am also glad the Government have made extra money available in discretionary housing payments.

However, we must also recognise—even if the most extreme projections about what will happen fail to materialise—that with a change to housing benefit as extensive as this one, all the economic logic suggests that there will be downward pressure on rents.

Alison Seabeck: I just want to know exactly where the hon. Gentleman gets his evidence from, because the National Landlords Association, residential landlords and London Councils, which is not a Labour body, all say that there is no evidence of such a downward pressure, partly because the private rented sector is already being squeezed on account of would-be young home owners who would like to own homes but who cannot afford them moving into that sector. There is not the evidence that the Government would hope for.

Damian Hinds: I am grateful to the hon. Lady for that intervention and for the opportunity to comment on it. I did not talk about evidence from various bodies or organisations. I said that "all the economic logic" suggests that with a change this extensive, there will be downward pressure on rents—it does suggest that.

Mr Heald: According to evidence to the Work and Pensions Committee from the landlords' bodies about 30% of landlords would reduce their rents; London Councils said that about 40% of landlords would reduce

rents, and, in discussions in the Select Committee, members of the Committee were doing their arithmetic on the basis that 50% of landlords would reduce rents. So there is a body of evidence that a very significant number of landlords will negotiate lower rents.

Damian Hinds: I am grateful to my hon. Friend for clarifying that matter for us.

I want to turn to the coalition's reforms of incapacity benefit. Of course, the genesis of those reforms also began in the last Government's time in office, when Tony Blair managed to tempt Sir David Freud out of retirement and Sir David found a kindred spirit in James Purnell. In May 2009, Mr Purnell said:

"It is very important for us to provide people with help to get back into work, and to improve the incentives for getting back into work. That is why we are re-testing everybody on incapacity benefit to make sure that they are on the right benefit. That is why we have tightened the gateway, to make sure that only the right people get on to the benefit, and that is why we will require everybody for whom it is appropriate to have back-to-work support."—[*Official Report*, 11 May 2009; Vol. 492, c. 531.]

Again, I am not sure that that description of what needs to be done can be bettered and so, once again, I will not try to do so.

It is right that no targets have been set for the numbers of people who will go into the three different groups, because the programme has to be about identifying what is right for each individual, whether that is helping them directly into work, helping them to prepare for the world of work or offering them long-term and unconditional financial support at a rate that will be, of course, higher than the one that pertains today.

Clearly, there are some issues related to the early workings of the work capability assessment, as has been outlined by my hon. Friend the Member for North East Hertfordshire (Mr. Heald) and others, including issues about intermittent conditions and certain mental health conditions. Of course, it is good that there was a pilot phase, so that these issues can be studied and tackled. I know that Ministers are conscious of the need to tackle them and I welcome the Harrington review, which was referred to by my hon. Friend the Member for Stroud (Neil Carmichael), and the consultation with mental health charities.

The biggest issue of all is ensuring that work pays for everybody. It is not a new issue; it has been around for an awful long time. There is a difficult trade-off between, on the one hand, having a decent living standard for those who cannot find work and, on the other, incentives for those who can find work, and if there were a "third hand" it would be about avoiding the sort of sky-high marginal withdrawal rates, which are effectively tax rates, that create cliff-edges in terms of certain numbers of hours of work in a week or that completely discourage people from taking on some form of work. Of course, we must also try to keep the whole system simple and low-cost to administer. So it is an enormous challenge.

Twenty years ago, when I was an undergraduate and we were talking about these issues, people used to talk about the 97% effective marginal tax rates at their peak and sometimes, in extreme cases, rates that were effectively more than 100%, once the additional costs of going to work and so on had been factored in. Of course, that situation existed under a Conservative Government, so I am not making a party political point. However, not enough has changed since then.

The problem is that if we want to change that state of affairs, mathematically we either have to reduce benefits to levels that just would not be acceptable or withdraw benefits more slowly as people's incomes rise. That second route is, of course, much more attractive but it is also extremely expensive, at least in the short term. So I am delighted that the Government, despite what has been a very difficult trade-off for them over the summer, have managed to find the £2 billion that is necessary to fund the universal credit. As hon. Members know, that new integrated benefit seeks to simplify the system, improve incentives, smooth transitions into work, reduce in-work poverty and cut back on fraud and error. I believe that that £2 billion is money very well spent.

Taken together, the reforms to incapacity arrangements and the plans to make work pay are, of course, complemented by the Work programme, which was also referred to by my hon. Friend the Member for North East Hertfordshire. That programme will treat everyone as an individual in a very practical way, while continuing the "Purnellian" principle of using non-state institutions to help people into the world of work and indeed into lasting jobs.

Collectively these measures, enabled by the comprehensive spending review and some of the difficult trade-offs that have to be made, can have an enormous impact on the DWP. That is because, as we have said already, the single biggest variable factor is the number of people who are in work compared with the number of people who are not in work. With these measures, we can encourage and help many more of our fellow citizens into work and in so doing we can create a more fulfilling future for them, a more cohesive future for our society and a much more sustainable future for our economy.

3.39 pm

Neil Carmichael (Stroud) (Con): I thank the hon. Member for Aberdeen South (Miss Begg) for securing this important debate. I will begin by discussing the comprehensive spending review in order to highlight some of the key issues that we are confronting. The first is economic growth. Improving economic growth is one function of the CSR, in terms of overall macro-economic policy. The second is unemployment: we cannot be satisfied with so many people being unemployed for such a long time. Some 1.4 million people have been unemployed for approximately nine out of the past 10 years. At the same time, we have been sucking in labour from other countries. There are some big issues for us to confront.

The overall question about the CSR is this. If the Labour party thinks that cuts should be made, it would be handy—from our point of view, at least—to have some indication where they might fall. All the ding-dong about cuts does not distract anyone from the fact that there would have been cuts whether or not the Labour party won the last general election. Discussing only the CSR's impact on the Department for Work and Pensions is slightly misleading, because we must reform benefits anyway.

As I said, too many people have been unemployed for too long, and we need to tackle that. As a decent society, we must encourage people to think about how to get back to work. A decent society looks after people properly if they need to be looked after and focuses on those who need more help rather than those who need less, if any.

Mr Heald: I am following the points that the hon. Gentleman is making about the most vulnerable people and not concentrating only on DWP. One great strength of the CSR that is not really about DWP is that tax credits have been increased to help the poorest children and ensure that we do not increase child poverty. That is part of the big picture.

Neil Carmichael: My hon. Friend the Member for—

Mr Heald: North East Hertfordshire.

Neil Carmichael: Thank you. My hon. Friend is absolutely right. This is much more about the overall impact of the CSR.

The changes that this Government are introducing were anticipated in some respects by the last Government. It is misleading to say that we are suddenly coming in with a wild charge to cut expenditure simply because we want to, or even because we need to, although we certainly do. There is a general feeling that changes in the pension benefits arrangements are necessary. A good example is moving incapacity benefit on to employment and support allowance. That was not our idea from just a few months ago; it was already the direction of travel of the last Government. I will discuss that in a bit, but I have four points to make.

The first is that the CSR has certainly propelled changes in the ESA; quite right, too, for the reasons that I have given. Secondly—it is important that we make, understand and keep repeating this point—people who really need help will not go without help. Severely disabled people will get appropriate support. It is critical to make that point, because we do not want anybody to be unnecessarily alarmed.

Natascha Engel: I was not going to intervene; I am grateful to the hon. Gentleman for giving way. That is the big problem. The number of errors being made in the reassessment of people who are on ESA—and now, also, incapacity benefit—is so high that our worry is that exactly the opposite of what he is describing will happen. People are being left destitute who are already vulnerable and poor. That is exactly what we are worried about.

Neil Carmichael: I thank the hon. Member for—I will have to learn a few more constituencies.

Natascha Engel: North East Derbyshire.

Neil Carmichael: Thank you. The fact of the matter is that we are reviewing those processes. I have mentioned Professor Harrington and said that our processes must be fair and decent, and that is what the Government are working to ensure.

The saving from the changes to the ESA will be approximately £2 billion, which makes a difference to our target of saving money through the CSR. However, what is critical is helping people to get to work by introducing a Work programme that delivers and encouraging the voluntary sector to help with CVs and so forth. It matters that we help people fulfil their lives by getting work if they want it and can do it; we must recognise that.

The key tool for transferring from incapacity benefit to employment and support allowance is the work capability assessment, which was introduced in 2008. It has some imperfections that we will improve, but it was introduced by the Labour Government for precisely the purpose that we are discussing. That is another important point to make.

The assessment process, as I understand it, takes account of medical conditions, mental problems and so forth and considers carefully how health policy, initiatives and solutions are being advanced. It is a fair and relatively flexible tool—

Miss Begg: That is part of the problem; it is not flexible or sensitive to different conditions. It is very mechanistic. Some of the employability criteria from previous assessments for incapacity benefits have been removed, when those are the very issues that need to be assessed. Those of us who have examined it feel that that is a problem. It does not always assess the right things. As my hon. Friend the Member for North East Derbyshire (Natascha Engel) pointed out, the wrong decisions are being made. People who are clearly not fit to work are being found fit to work and vice versa. That is a problem.

Neil Carmichael: I thank the hon. Lady. This might get a bit boring, but I will simply repeat that we look forward to Professor Malcolm Harrington's report, which I gather is coming soon.

To end on a political point, I note that the shadow Secretary of State for Work and Pensions, the right hon. Member for—[Hon. Members: "Paisley and Renfrewshire South."] Thank you. He said on "The Andrew Marr Show" that he recognised that the changes were necessary, that the Labour Government would have been interested in that direction of travel and that he did not reject all our proposals out of hand but welcomed a lot of them. That is the point that we should rest on. Labour's Front-Bench Members recognise the problems that we are dealing with, understand that people should be encouraged and helped to work and recognise the impact that that will undoubtedly have on the CSR. However, as I have stressed throughout my speech, we must give people a fair and decent chance to fulfil their lives. That is our view and, I hope, increasingly the view of the Labour party.

3.48 pm

Mr Marcus Jones (Nuneaton) (Con): Thank you for allowing me the opportunity to speak, Mr Turner. I thank the hon. Member for Aberdeen South (Miss Begg) for securing this debate on an important and emotive subject. I speak as a constituency Member who brings to the table constituency observations, not experience from the Work and Pensions Committee or in-depth knowledge of the subject. However, I welcome the fact that the Government seem more and more willing to take difficult decisions that the previous Government unfortunately would not take. The comprehensive spending review is a vital part of starting to clear up the economic car crash—those are the only words I can find to describe the situation—that the new Government have inherited.

Today we have seen that when it comes to tackling the difficult issues, Opposition Members prevaricate and oppose. They come out with the odd titbit to give us a

little taster of what they might think is the right thing to do, but they never seem to have a plan, or ever look like putting a plan forward. That is getting rather tedious.

Overall, the issue is that we have had a steep and astounding increase in the cost of benefits over the past five years. There has been a 45% increase in the cost of benefits over that time, which means that for every £3 that the Government spend, £1 is spent on welfare benefits. We as a country cannot sustain such a situation. Again, that shows how out of control the welfare situation was under the previous Government—just like the situation with the Budget deficit, immigration and a number of other issues that they failed to tackle.

As I have mentioned, thankfully, we have a coalition that might not always be perfect in its approach, but is willing to take the necessary decisions to put the country back on the right course. I think all hon. Members would acknowledge that we need to make it very clear that, as a civilised society, we must provide for those who cannot provide for themselves. I do not think anyone would advocate that as a country, as a Government and as politicians, we should not support those people in our society.

However, we should also strive to reform and arrest a situation in which many genuine people are trapped in the system. Such people want to contribute to society, to go out to work and make their own way, but unfortunately they are stifled by the current system. We also need to bear in mind—I do not think this has been mentioned in the debate—that for a very small minority of people benefits are a lifestyle choice. A number of colleagues have put it to me—I have heard this comment in my constituency—that some people consider that going to claim their benefits is tantamount to turning up for their wages. That is not acceptable in a civilised society. We must look after the people who should be looked after, but we cannot afford to allow people to choose not to contribute—unless, of course, they are willing to contribute to society in a financial sense for themselves.

My hon. Friend the Member for North East Hertfordshire (Mr Heald) pointed out eloquently that many young people are growing up in households where they have never seen anybody work. That is not a new phenomenon. There are second and third generations of people who have never worked, and young people are growing up in those households with no role models. They have no one to look up to, copy in life or attach their thoughts to. I understand that there are now around 3 million such households. Again, that situation is totally unsustainable.

There are people who are genuine losers in our benefit system. I am aware of many constituents with physical and mental disabilities, and learning disabilities and difficulties who have little chance of ever working. I would like the Minister to make it clear that those people will definitely be protected under the changes to the benefit system. We must make sure that we protect them if we are to be considered a civilised Government.

We also need to ensure that we make every effort to try to help people on incapacity benefit and ESA, who are rightly being asked to take work capability assessments. We must consider the fact that when people go to the assessment their condition might not be taken into account on the particular day they attend. People with multiple sclerosis, myalgic encephalomyelitis, rheumatoid arthritis or conditions that can be quite different on a given day could experience such a situation. What does the Minister propose we do to try to make sure that assessments are fair for those people?

I would also like to make hon. Members aware that I have constituents who are in what I would call the middle ground. They are between being able and unable to work, and are on the edge of being able to enter the workplace. The current system deters those people from going into the workplace because they do not seem to have the necessary support to enable them to get a taster for work, which would encourage them and give them the necessary opportunities.

I welcome the back to Work programme and the package of support that will be offered, particularly the help for people to get back to the workplace. I am encouraged by the personalised nature of that programme. We need to ensure that such packages are personal because, as Members from all parties have said, this is not a one-size-fits-all situation. It is extremely important that we put more of the onus on the back to work providers and that we ensure they are doing the job properly and in a sustainable way. We can help to do that through payment by results.

I have been made aware of a particular case from my surgery; it involves a very genuine woman who has been through a horrendous experience. She is currently receiving ESA and wants to go back to work but, in the words of her specialist, she is not yet in a position to do so. At the moment, there seems to be no middle ground between ESA or jobseeker's allowance. I think she has just been told that she must choose the JSA route, which means she will receive pretty poor and confusing support to get back into work.

I welcome the announcements made by the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), which will, indeed, start getting people back into work. However, I have concerns, particularly for my constituent, who feels as though she is wading through treacle trying to get the skills, support and confidence to go back to the workplace. I fear that the reforms that will come in next year will not be expeditious enough for my constituent. What is the Minister doing to advise and direct various organisations—Jobcentre Plus and other agencies—on what can be done to help such people now, rather than waiting until next year? I expect that most Members would rather we helped people as expeditiously as we can as a Government, than waited for legislation to come into force.

I now turn to the limits that are being put on benefits. I understand why hon. Members, particularly those in London, have concerns about the cap that will be put on benefits. Many hardworking people in my constituency have said that they would be absolutely overjoyed to earn £25,000 after tax and spend £20,000 a year on housing. However, unfortunately, they are not in a position to do so. The decision to put caps on the amount of benefit that people can claim has been greeted with some enthusiasm in my constituency. In many ways, such an approach is progressive; although I take into account the difficulties that some Members may have, particularly those with London constituencies.

Although my constituents have welcomed the announcements, they are not mercenaries, and I do not think anyone here would profess to be so. My constituents

[Mr Marcus Jones]

want to support people to get back into the workplace, but they also want to ensure that, as a Government, we do not allow the situation to get out of control. My constituents welcome the discretionary housing payments that will be allowed to go to the poorest in our society.

Some Opposition Members have used the politics of fear around the issue and have talked about social engineering. My theory is that trapping families in a financial position where they are totally dependent, and beholden to politicians who are edging ever closer to taking complete control of individual lives, is social engineering of the worst form.

We must encourage an economy in which we bring the necessary training, jobs and employment to sustain the people who have become dependent on benefits. The Government are on the right lines in making sincere proposals for getting people back into work. It will sometimes be difficult to put those things into practice, and there will be some anomalies, but I am sure the Minister will tell us how they can be ironed out. I welcome the moves that have been proposed and sincerely hope that they will help people in constituencies such as mine to move forward from the difficult and prescriptive place where many have found themselves trapped, particularly those who have been unable to source work for many years.

4 pm

Kate Green (Stretford and Urmston) (Lab): I start by thanking you, Mr Turner, and hon. Members present for your tolerance in allowing me to resume my participation in the debate. I have been attending a Public Bill Committee sitting for the past hour. I am sorry to have missed the contributions of other Members and encourage them to intervene to repeat points that might already have been made that relate to my remarks.

I am pleased that the Backbench Business Committee selected the subject for debate this afternoon, not only because it was partly in response to representations I made to the Committee, but because this set of policy announcements is one of the most significant that the coalition Government have made. It will have far-reaching implications, not only financially for families now, but for the philosophy surrounding welfare provision. It is beginning to take us into new territory and challenges some of the assumptions and positions that have pertained for the past 60 or 70 years. The debate is an important opportunity to start to talk about that.

It is notable that we have had several debates in this Chamber and on the Floor of the House that speak to concerns right across the House about the implications of some of the Government's proposals, particularly in relation to housing benefit reform. I want to address some of those points again this afternoon and, inevitably, speak much more widely about the broad range of financial support for families that is provided by the welfare system and by the benefits and support programmes that are the responsibility of the DWP.

One of the great difficulties when looking at financial support for households is that it is provided by a number of Departments. It is difficult to disentangle the implications of one benefit change in one Department's area of responsibility and look at it in isolation when assessing the overall impact on low-income households. I hope that we will have some leeway this afternoon to look beyond the rigid parameters of the DWP. That was certainly already the case when I had to leave the debate earlier.

Mr Heald: Does the hon. Lady agree that the increase in child tax credit is a vital part of the overall picture?

Kate Green: That is the kind of point that it is important we recognise in debate. I recognise that the increase in child tax credit is one of a tiny number of measures, if not the only one, that we have seen so far from the Government that try to redress some of the reduction in or withdrawal of financial support elsewhere. Ministers have highlighted the fact that the increase is significant in ensuring that there is no rise in child poverty as a result of the measures that have been proposed overall. I regret such paucity of ambition, as the intention is simply not to see child poverty increase. Previous Labour Governments were criticised—rightly, I guess—for not achieving as much as they had set out to do. The proposed increase seems a poor and rather limited attempt to move forward, which I very much regret. I would welcome hearing from the Minister how the Government expect to catch up on the target to eradicate child poverty by 2020 when they expect to make no progress at all between now and 2012-13.

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I want to build on the hon. Lady's point that the issues of child poverty that the Government are addressing go well beyond DWP and remind her of the £7 billion investment we have made in the fairness premium, which is being delivered through measures introduced by my right hon. and hon. Friends in the Department for Education. At the risk of incurring your wrath, Mr Turner, I remind the hon. Lady that when the Government came into office the figures on child poverty were deteriorating. What we have done in the emergency Budget and the initial spending review measures is to stop that deterioration and stabilise the situation. In March, we will be setting out a strategy to show how we will take things forward.

Kate Green: First, let us be absolutely clear about the alleged deterioration in child poverty performance. It deteriorated in two years, 2005-06 and 2006-07, and the measures that were introduced in the 2008 and 2009 Budgets were already turning that position around. It is welcome that the Government have not decided to reverse those measures. I am pleased that they have retained the progressive announcements made by the previous Chancellor, but it is a pity that the new measures that they have announced will tend to work against that progressiveness.

Secondly, I absolutely take the Minister's point about the importance of the spending measures being rolled out by the Department for Education. I regret that some of that is moving money around, rather than bringing additional money into educational institutions and settings. None the less, there is considerable evidence, as she is well aware because we have discussed it on many occasions, that any spending on education, health or a range of other outcomes for children is hampered if they grow up in households with inadequate income. Income is a prerequisite of the success of other social programmes. That is why I am concerned about the long-term implications of some of the Government's measures in relation to household income.

Let me list some of the Government measures that will reduce incomes across the piece. We have the freeze on child benefit, and its removal in cases where an individual in the household is in the higher tax band. We have the freezing of working tax credit. We have an increase in the number of hours that a couple are required to work in order to claim working tax credit. We have a reduction in the child care element of the tax credit. We have the linking of benefits to the consumer prices index. We have the time-limiting of contributory employment and support allowance to a period of 12 months.

We have the removal of the mobility element of disability living allowance for those in residential care. We have the promise of more testing before disability living allowance can be accessed.

We have many changes to rules for eligibility for housing benefit, including the room cap, the reduction to the 30th percentile, the removal of the £15 excess, the cut in housing benefit for those on jobseeker's allowance for more than 12 months, changes to non-dependent deductions, which are now to be uprated in line with the CPI, and there will be an increase in the age at which people are able to come off the single room rent rate. We have changes to council tax benefit. We have the removal of the health and pregnancy grant, child trust funds and the saving gateway. We have the reduction in funds available for social housing and an overall cap on benefits.

I hope that I have not forgotten anything, because that sounds bad enough. Not all of those policies will have an impact on every household, but none the less together they will put many low-income households under great financial pressure, and I am very concerned about that.

Maria Miller: Will the hon. Lady give way?

Kate Green: No, I will not. I also want to highlight the fact that when we look at which households will particularly feel the brunt of those changes, we see that women will bear much of the pain. Women are hit twice as hard as men as a result of the reduction in income that will result from those changes.

Women receive 70% of tax credits, 60% of housing benefit and 94% of child benefit—perhaps unsurprisingly, because that payment is particularly well targeted at mothers—and 65% will be affected by the changes in the rules for savings credit as part of pension credit.

The disabled are suffering several reductions to their benefits: the removal of higher rate disability living allowance for those in residential care; the changes to eligibility for employment and support allowance, which my hon. Friend the Member for Aberdeen South (Miss Begg) highlighted earlier; the impact of the work capability assessment, which seems to be proving harsher than was acknowledged earlier and harsher than the previous or present Governments might have expected; and the loss of contributory ESA after a year.

Families with children in every income decile are being hit hard by the changes—harder than households without kids. I am concerned about the differential impact of the changes on different kinds of household structures, and I would be interested to hear the Minister's comments on that.

Another area that I would like to open up for debate and would be interested to hear the Minister's comments on is how the measures will work against the Government's absolutely correct wish to incentivise people to move into increased hours of paid work. The first prerequisite of being able to look for work is a stable income. It is hard for people to motivate themselves to go out and look for a job if they are struggling to hold things together day to day, and worrying about creditors banging on the door, or whether they can afford to pay the bills, keep healthy food in the fridge, keep the house in a decent state of repair and keep their clothes clean and laundered. With all those basic needs proving a barrier, it is difficult to think about going out to look for work.

The second thing that is crucial for people looking for paid employment—we hear this again and again from homeless charities—is a stable address. Many of us are concerned that the impact of the housing benefit changes will be to force people to move, perhaps more than once or twice, as the changes are introduced in waves. In some cases, lack of a stable address is likely to prove a barrier to moving into paid work. Clearly, a third important prerequisite for parents being able to move into paid work is having child care in place.

Changes to housing benefit will not only disrupt the stability of a family's accommodation but may move them further from areas where jobs can actually be found, and from the support networks on which they rely. I am concerned that reducing the element of working tax credit support that is available to help meet child care costs will make it more difficult for parents to afford those costs.

A number of the measures that the Government have already announced will actually worsen marginal deduction rates. The cuts to working tax credit will worsen the return that people get from paid employment, and the loss of free school meals for some families who were expecting to receive them from this September, and the increases in VAT and travel costs, will make the decision to return to work much more economically unattractive than the Government might wish. I would be interested to hear the Minister's comments on that.

Another thing I would like to consider is the support the Government will put in place to enable people to move into paid work. We look forward to receiving details about the single Work programme, which I believe Members across the House are keen to welcome. Labour Members in particular see many elements of the single Work programme, in so far as we know about it, drawing on the new deal and the recent flexible new deal. In fact, I have been struggling to identify the philosophical differences between the single Work programme and the flexible new deal. I would be interested to hear the Minister's comments on that.

There is potential for more risk being put on providers, who will be required to perform over the longer term. That may make it more difficult for some smaller providers and, in particular, voluntary sector providers to join in with provision of the single Work programme. I know that Ministers are concerned about that, and I look forward to hearing the Minister's comments on it.

There is perhaps even more alliance than we saw with the flexible new deal on the so-called black box approach. My worry about such an approach is whether the most vulnerable will transparently receive appropriate support and be properly advocated for in a system where there

[Kate Green]

are conditions, requirements and obligations on them. Who will negotiate for them if the requirements that are imposed are unreasonably onerous? The black box approach has some merits, obviously, in that it offers flexibility to good providers, but how we will ensure that the actions of providers who may put inappropriate pressure on clients to take up unsuitable employment, or to take up unsuitable programmes to prepare them for employment, will be transparent and exposed in the single Work programme that Ministers intend to introduce?

My final point is about the universal credit, which I think many Members on the Government Benches have suggested will provide a solution to concerns about the measures that are being introduced more immediately. First, even if the universal credit proves to be the panacea that we are assured it will be, I am concerned about the hardship that will be experienced by households now, before it is actually in place. I am not setting out today to oppose the universal credit by any means, but it might be helpful, as we are clearly at an early stage in the Government's thinking on what it might look like, if I highlight some concerns about where care will need to be taken in its design.

Chris Leslie (Nottingham East) (Lab/Co-op): I apologise for being here for only part of the debate. On the universal credit, does my hon. Friend have any insight into the logic of how the Government's announcement on, for example, the localisation of council tax benefit—and, by the way, the 10% cut—fits with the DWP's approach of trying to design a universal credit, but apparently without that element in it?

Kate Green: I absolutely agree with my hon. Friend. Points raised in favour of the universal credit were that it would remove administrative complexity and clarify people's entitlements in and out of work. Clearly, where there is variance across the country in terms of entitlement to help with council tax, we have lost all the advantage of administrative simplicity, and transparency and clarity. That is one of the anomalies that I would be interested in hearing the Minister address.

I would be interested to hear the Minister's comments on some of the risks of putting all our eggs in one basket. That may have the virtue of simplicity, but as we know, administrative systems and Government are not famous for smooth running in favour of low-income claimants. If the universal credit should happen to fall over, perhaps because of IT difficulty or for other reasons, there will be absolutely nothing else coming into households to carry them through. I very much hope that the IT will perform smoothly and that there will be no such administrative difficulties, but there are risks. It is important that we hear from Ministers what the contingency plan is, because both DWP and Her Majesty's Revenue and Customs have been quite slow to compensate for difficulties in getting payments through quickly; for example, emergency payments and social fund payments have not been particularly easy to access when things have gone wrong.

From the point of view of low-income households, there is some merit in having payments coming in at different times through the month. It assists household budgeting if people know that another chunk of money will be arriving in the next few days.

I hope that the design of the universal credit will recognise that there is an issue not just of distribution of income to poorer households but of its distribution within those households. I want to be sure that we design a credit that does not disadvantage women in the household in particular by assessing and paying a credit at household level that in practice may not reach her and, therefore, may not be particularly effective in reaching her children.

The intention to introduce real-time calculation of entitlement to the universal credit will also mean real-time clawing back of benefit overpayments. It would be exceptionally difficult for low-income families to plan for that, and I would welcome the Minister's comments.

In conclusion, the Secretary of State and the Department have an ambitious vision, and an extensive range of changes will be introduced in the near term in somewhat indecent haste, without the implications being clearly thought through. I am grateful that we have had an opportunity to raise some of our concerns. As my hon. Friend the Member for Aberdeen South said earlier, there are real concerns about the devastating impact that the loss of even a few pounds can have on low-income households, and I look forward to the Minister's response.

4.19 pm

Mary Macleod (Brentford and Isleworth) (Con): I thank the hon. Member for Aberdeen South (Miss Begg) for starting our debate today. She has talked about retiring, and my hon. Friend the Member for North East Hertfordshire (Mr Heald) has mentioned the contribution that she has made on the Select Committee—a contribution that I heartily admire. I hope that she does not mind my saying that I hope that she does not need to retire, because across the country she is a role model for and an inspiration to disabled people. If, however, she does feel the need, I am sure that I could find an excellent Conservative candidate in Aberdeen to fill her spot. The Conservatives do, of course, need more Members of Parliament from Scotland.

I welcome the proposals in the comprehensive spending review for the Department for Work and Pensions and, in particular, I welcome the Secretary of State's radical and strategic look at the support that is given to 20 million customers, including those who receive benefits and state pensions, those who need help to get work, and disabled and older people. The CSR is courageous in what it has presented, and it is transformational because it is about giving people who can work a way to transform their lives, build their confidence, feel worth while and contribute to their family and to society as a whole. It is about giving them hope for the future, because the reality is stark. After I deal with this point, I shall move on to a more positive note. Britain today has 5 million people claiming out-of-work benefits, one in five households entirely dependent on benefits, with no one working, and nearly 1 million people who have never worked. We cannot leave people to languish on benefits with no opportunities to change their lives for the better, and I believe that all of us in this House, no matter which side we are on, are trying to change lives for the better.

The hon. Member for Aberdeen South talked about the gap between rich and poor, and I sometimes feel frustrated by how we approach that. We have to help the people at the lower end of the spectrum to get back

into work, and to support the people who cannot work. However, it is not about penalising people who have achieved something in life. There is something about the British culture that means that when we talk about people who have achieved something we have to try to find fault. To anyone who has gone out there, worked hard, tried to find work and achieved something for themselves and their family, I say, "Well done," and I hope that everyone else does too.

I would particularly like to focus on the issue of getting people back to work and on how the Work programme can support that. There is no doubt that we need to improve the way in which we help people get back into work. According to International Labour Organisation figures, we have nearly 2.5 million people unemployed, which is 7.7% of the economically active population. That is below the G7 unemployment rate of 8.3%, but some of those 2.5 million people are not contributing economically to our society and are being held back from reaching their full potential. In a YouGov poll in July this year, 43% of people who had visited a jobcentre in the previous 12 months said that they were treated as a statistic, with no focus on their individual needs. That figure rises to 59% for those in the 55-plus category, and that is something that we must change.

In my constituency of Brentford and Isleworth in west London, the latest figures from September showed that 2,315 people were claiming jobseeker's allowance. That figure was down 10% on the previous year's, but the number of people who have been claiming jobseeker's allowance for more than a year had increased by 47%. Being out of work long term is damaging for all concerned. It is damaging for the taxpayer, because we lose out on the potential economic contribution of that individual and, more importantly, it is damaging for that individual themselves because of what it does to them and to their families.

Some 60% of people claiming jobseeker's allowance in my constituency are aged between 25 and 49, and it is that age group that particularly needs help to get back into work. Currently, there is a confusing array of programmes out there. People who have been claiming jobseeker's allowance for 12 months must take part in the flexible new deal, which is delivered through Jobcentre Plus by private providers. Some people who do not receive a job through the FND will possibly move back on to jobseeker's allowance. Recent figures provided by the Department for Work and Pensions show that since the scheme was implemented in 2001, more than 500,000 of the 2.7 million people leaving the scheme have returned to jobseeker's allowance. We need to simplify things, to improve the accountability and to focus on results, and I really believe that the Work programme can do that.

The Work programme is one of the biggest employment and back-to-work programmes in the world, and will offer targeted, personalised help for people who need it most, sooner rather than later. The programme will be delivered by experienced organisations in the private and voluntary sectors, which will be given the freedom to design the right programmes for claimants. However, those organisations will be paid by results, and the Government will pay them only when they get welfare claimants back into work, and keep them there. Are there people out there who can deliver that? I believe that the answer is yes, and I want to give a couple of examples of how things are currently working, and can work in the future.

The first example is Reed in Partnership, which I recently visited in Hounslow. The organisation states that it seeks to

"break down barriers to work by giving people the confidence, skills, and experience they need to find lasting employment; using the most creative and innovative methods in our sector."

Since 1998, Reed in Partnership has helped 100,000 people move from welfare into employment, and has focused not only on building the skills and confidence of individuals to get back into work, but also on building partnerships with local businesses that offer the work opportunities. The organisation has many strong partnerships across the business sector. The view of the chief executive, Chris Melvin, is that the

"development of a single, integrated Work Programme represents a dramatic shift in policy and an opportunity for everyone working in the employment and skills sector."

I met the Hounslow branch manager, Shirley Allen, who talked to me about the organisation's work with people on health-related benefits, and about some of the opportunities it sees for the future. I also talked to some of the individuals who were going though its programme and who really did want to find work. They felt that organisations such as Reed were helping them to build their confidence so that they could go out there and change their lives for the better.

The second example is in the voluntary sector. I recently met an organisation called Helxx5, which is committed to building a mechanism that brings together business and the community for the benefit of all. The Bridge UK is the charitable arm of Helxx5, and that is the part of the organisation that I visited. The Bridge UK has so far focused on using a cross-section of unemployed people to renovate disused buildings and transform them into a multi-media hub that will bring business to the area. It has employed locally, in Brentford, some 100 unemployed people, who have cleared yards and decorated buildings, learning a whole host of skills along the way. Some of those people come from second and third-generation benefit households. It was pretty hard initially to persuade some of them that there was a good reason to get out of bed in the morning, but The Bridge UK has done that successfully, and real results are being achieved.

The ultimate goal for The Bridge UK is to continue to work with unemployed people from Jobcentre Plus, taking them through training modules with a view to them finding a way to stabilise their life, and providing the skills base that will allow them to secure future work. In effect, it is helping people to cross the bridge from welfare dependency to future employability. What makes this work are the leaders of the organisations—in this case Cain Gerrod. He brings knowledge of coaching, business experience and local contacts, and his former tough-guy ex-Chicago life probably enables him to communicate with the individuals in the programme. When I visited it last week, I found a group with energy and creativity in abundance. Its approach works and, in my view, totally fits with what we are looking for as a successful part of the Work programme. I also visited National Grid's programme with offenders in prisons. It works with more than 100 organisations and businesses

[Mary Macleod]

to create opportunities for offenders and support them to find work. It gets them into work, then supports and mentors them for two years.

The common theme running through the coalition Government's proposals is that they cannot do all this on their own. Getting people back to work is an example of that: we need businesses, charities, the Government, neighbourhoods, families and individuals all to play a part in helping people to get back to work.

There are two areas that I would like to mention: work experience and mentoring. Gaining employment in this country is dependent on having experience, which many people who have been unemployed for some time do not necessarily have. Without experience, they cannot get a job and, without a job, they cannot get experience. We need to break that cycle by persuading more companies to give people work experience.

Kate Green: The hon. Lady is right about the importance of workplace experience. Employers look for it, and it is important in giving confidence to individuals in applying for jobs. Therefore, is it not regrettable that the future jobs fund, which gave people a sensible amount of work experience—a minimum of six months—and, crucially, paid them a wage, which is one of the most important features of feeling that it is a genuine work experience, has been abandoned by the coalition Government?

Mary Macleod: We need to find people sustainable, long-term employment that they can do in future and will support them. We can work with businesses in our local areas. I will be encouraging all the businesses in my constituency to give more people the work experience that will help them to gain future employment. All Members can do that in their constituencies.

Mr Chuka Umunna (Streatham) (Lab): Does the hon. Lady accept that the future jobs fund has been successful in placing young people in permanent work? Only last week, I spoke to several employers and young people in my constituency, and due to being on placements through the future jobs fund, those young people now have permanent work.

Mary Macleod: There will be examples of people gaining experience and managing to find work, but the problem is that there have been so many different schemes, not one coherent strategic approach to getting those people into long-term and sustainable work. People have not had the individual support to make that happen, which the Work programme will allow.

Work experience is a win-win situation for all concerned; the company gets support from individuals for their business and the individuals gain vital work skills. One barrier that has stood in the way of that in the past is that people feared losing their jobseeker's allowance if they undertook any volunteering work. I received a letter from a constituent on that. I am pleased that that issue has been addressed and that unemployed people are now encouraged to take on work experience voluntarily, without fear of losing their jobseeker's allowance—as long as they are still actively available for and seeking employment at the same time. Therefore, a part-time work experience assignment will not prevent them from continuing to claim benefits in the short term, but may, I hope, help them not claim them in the longer term by finding suitable long-term work.

As MPs, we can all persuade businesses and individuals in our communities to create and develop mentoring schemes to support those people who have been long-term unemployed to get back into work. I hope that we can create something good and sustainable with a mentoring scheme in my constituency.

In summary, I believe that the Government have taken bold and radical steps in addressing welfare reforms that were long overdue. We will replace a confusing array of support programmes with the Work programme, which will provide personalised support to get people back to work. The priority will be to ensure that the Work programme is delivered in a way that encourages the active involvement of strategic companies and third sector organisations, without introducing red tape and bureaucracy. Beyond the Work programme, we can encourage the building of vital skills by providing more opportunities for people to volunteer in workplaces to gain vital experience to get back into work. I look forward to working with businesses in my constituency to do just that, and to get more people from welfare into work, so that we change their lives for the better and they can go on to create a strong and sustainable future for themselves and their families.

Several hon. Members *rose—*

Mr Andrew Turner (in the Chair): I will call the Front-Benchers from 4.57. I can see three Members standing up; I call Richard Graham.

4.35 pm

Richard Graham (Gloucester) (Con): Thank you, Mr Turner. I shall try to be brief and build on the points made by other hon. Members, including, most recently, my hon. Friend the Member for Brentford and Isleworth (Mary Macleod). I am grateful to the hon. Member for Aberdeen South (Miss Begg) for securing the debate on a topic that is crucial to dealing with our old, weak and vulnerable, and for all of us who work. The debate is on a subject responsible for a third of all Government spending and, therefore, crucial in that sense as well.

We have been debating the impact of the CSR on the work of the Department for Work and Pensions. What the CSR did, above all, was endorse a radical change of direction in that most crucial of Departments. We have effectively seen a signal to the end of accepting ever more people with very little motivation to work, people who are not working living in properties that they would not be able to afford if they did work, Britain's ever-increasing number of people on incapacity benefits—there are 2.9 million people on a category of benefit that does not exist anywhere else in Europe—and an ever-increasing proliferation of an array of benefits that no one, not even the distinguished hon. Member for Streatham (Mr Umunna), can understand.

Kate Green: Will the hon. Gentleman give way?

Richard Graham: I regret that there is no time to give way.

It will also mean an end to the continuation of the trend for increasing numbers of young people with illnesses and disabilities who do not wish to follow the stirring examples of the hon. Member for Aberdeen South and my hon. Friends the Members for Blackpool North and Cleveleys (Paul Maynard) and for Harlow (Robert Halfon), who set strong examples. I do not believe that the hon. Member for Aberdeen South wishes us to continue to accept those things.

The radical new approach endorsed by the CSR is a philosophy for a 21st-century welfare state and a complete restructure of benefits, which I describe as getting "back to Beveridge", under a single universal benefit, a single larger basic state pension, which should have been introduced by the previous Government years ago, and the principle that work always pays and benefits should not exceed the average salary. That amounts to an ambitious programme that many of us endorse; indeed, all the voluntary organisations that gave evidence to the Select Committee explicitly embraced the goals, if not the details, of the implementation. As Opposition Members have said, we are close to consensus on the aims—whatever the shadow Secretary of State may have said on television recently—which is appropriate given the sector with which we are dealing.

What differentiates us is simply how much money should go to whom, when and where. Those who believe, as some hon. Members have indicated today they do, that no benefit should ever change, let alone decrease, are missing the point. If we accept the principle behind the goals of the direction of the Department for Work and Pensions, we much also accept that, to get rid of the disincentives to work and to make work worth while, the principle means significant changes to how benefits are delivered.

The natural corollary to the strategy that we all—or most of us—accept is the plan for implementation. We now have the plans for changes to housing benefit, testing people on incapacity benefit, new ways of handling people on jobseeker's allowance, the introduction of the Work programme and the introduction of the single universal benefit, which, in a sense, is the most important. Those changes are under way. The Minister and her colleagues are aware of the sensitivity of individual issues that will come up as this great programme is put into place, and I believe that they will respond with contingency plans and funding if difficulties come up. We must trust the Minister to do that.

Let me give an example of what can be inspiring from a new approach to work. In Parliament, I employ a woman who is a registered epileptic. She does a fantastic job, and there is no reason why many others like her should not be able to do the same thing. As the programme unfolds, I believe that we will see many inspiring examples coming forth. Therefore, I urge hon. Members from all parties to embrace the strategy and work to make it a success.

There is much that we can do as individual MPs. For example, I will be doing three things. First, I will hold a seminar so that disabled jobseekers can meet employers, and employers can hear from those who work successfully, such as my friends the blind receptionist and the deaf warehouseman. Secondly, I will continue to encourage my jobcentre to experiment with new ways of helping people on jobseeker's allowance to find jobs. One new experiment in Gloucestershire has halved the number of people on the waiting list over the past few weeks. Thirdly, I am holding an apprenticeship fair for young people, and a seminar on engineering for women.

I would like to hear other ideas from hon. Members from all parties, so that we can go out and do our bit in our constituencies to help people into work. There is an alternative approach, which I would summarise as that of continuing to snipe from the sidelines, saying that things cannot work, complaining that funding has decreased, and effectively letting down young and working-age people in our constituencies. I believe that we should embrace the strategy, hold the Department to account on the scheme's implementation as it unravels, and make it a success so that we get our country working again.

4.41 pm

Simon Hughes (Bermondsey and Old Southwark) (LD): It is a pleasure to take part in this debate. I am present almost by accident, because my hon. Friend the Member for Cardiff Central (Jenny Willott) would normally have been the Liberal Democrat spokesperson. In many ways, she is a greater expert than me. I am afraid that I have broken the spell—there would have been women leading for all three main parties, together with the Chair of the Work and Pensions Committee, the hon. Member for Aberdeen South (Miss Begg) and the Chair of the Backbench Business Committee, the hon. Member for North East Derbyshire (Natascha Engel). We men would have had to muscle our way in. I apologise for that, but I hope that in spite of my lack of technical expertise, I can none the less share something from my experience. Like the hon. Member for Aberdeen South and my hon. Friend the Member for North East Hertfordshire (Mr Heald), I am one of the old hands in such a debate.

I welcome the Minister to her post, and I endorse what was said earlier. The approach taken by the Secretary of State and the Minister responsible for pensions, my hon. Friend the Member for Thornbury and Yate (Steve Webb) has shown encouraging, progressive and challenging new thinking that looks to restructure an important Department. I welcome the opportunity to look at how that will be done.

I speak not only as an old-school Liberal, with Beveridge and Lloyd George as my political forebears, but as someone who has lived and represented the inner city for all of my time in this place, and half of my life. I know how important it is to have a strong welfare state, but that we must always encourage those who can to find and stay in good-quality work.

A friend of mine, the deputy head of a primary school in Leeds, once showed me how they were taking 10-year-olds to do work experience in their final year of primary school. More than half the youngsters in that school had nobody at home who went to work, so a role model who worked was missing in their lives. I hope that at the end of the five-year coalition programme, difficult though it will be in some areas because of our financial position, we will have a more equal society, a greater percentage of people in work and a higher skill base, but that we will still always protect the poor and the vulnerable from falling through the safety net.

I commend the single Work programme. I have long felt the need to pull together the ways in which people are assisted into work. From my constituency experience,

[Simon Hughes]

I have to say that the system has not been working. As the Government implement the single Work programme, I ask them to take heed of what is stated in the coalition agreement:

"We will realign contracts with welfare to work service providers to reflect more closely the results they achieve in getting people back into work."

The disparate contract system has not worked, and there have been some poor providers. It has been a mixed scene, and we need a more reliable network of ways in which people can go into the system.

I also commend the ambitious plan for a system of universal credit. That is what we should aim for. The system has seemed complicated, and if it is complicated for us and the Department, it will be doubly complicated for people who have to navigate themselves through it as users, often during other pressures in their lives as well.

From my experience, the "tell us once" initiative, is beginning to work. That is when someone reports a death—a bereavement—and all the systems of government are notified. That approach needs to be expanded at central and local government level so that people can feed into the system.

I am not in the Chamber to give a eulogy or a set of plaudits, because there are one or two things that the Government should take on board and improve. However, some things are really encouraging, as was the speech by the hon. Member for Gloucester (Richard Graham).

The first point in the relevant part of the Liberal Democrat manifesto is immediately to restore the link between the basic state pension and earnings:

"We will uprate the state pension annually by whichever is the higher of growth in earnings, growth in prices or 2.5 per cent."

One of the first announcements made in the Budget and reflected in the comprehensive spending review—proving that the coalition is a partnership and that both parties contribute—was that pensions will be linked to earnings again. That is welcome because it is an important subject and one of the biggest issues that pensioners have raised with me in Parliament ever since the link was broken under Mrs Thatcher's Government.

It is important that we are moving towards equality in pension age, as mentioned by the hon. Member for Aberdeen South, but it is right for that limit to be set at a higher level. Frighteningly, I heard the other day that average life expectancy for men is now 88. That is extremely disturbing in many respects, although of course we welcome people of that age and beyond. If life expectancy is 88 for men, it will be older for women because women are more resilient and better able to survive, do well and keep working than men.

I welcome the fact that winter fuel payments have been maintained, which was a manifesto pledge made during the election. I know that the issue is controversial and debatable, but in the end that pledge was honoured. All those initiatives are welcome, especially those relating to pensions and elderly people.

The announcement on child tax credit was good, as that will help families with children to have the funding they need. It is good that we have not backed away from our ambitions on child poverty. In her intervention, the Minister rightly said that we must start by saying how we will ensure that things do not get worse. The Labour Government were disappointing in many social ambitions, such as those on fuel poverty, child poverty and so on. They let the gap between the rich and poor widen. It is important that we hold on to our ambitions and, as the Minister said, seek to build on them and take our youngsters out of poverty.

I thought it was understandable and right to try to deal with the child benefit issue, although I know that it is controversial, particularly in the Conservative party. I understand the difficulties and I do not pretend that there is a perfect cut-off in terms of the wage level at which the benefit is set, or the choice between a one-wage or two-wage family. We can come to different conclusions about that, but there is a good case for saying that people on high incomes should not get the same level of universal benefits as everybody else. I understand the logic behind the argument for universal benefits, but when hard choices have to be made and budgets saved, everybody must share the responsibility.

I am glad that we will have permanent cold weather payments, rather than the rabbit-out-of-a-hat payments that we had under the Labour Government, when if we were lucky one year, there was an announcement. That change is positive.

I am pleased that there will be additional money for youngsters as part of the pupil premium. That scheme crosses Departments in relevance, and means that poor and disadvantaged youngsters will be better supported when they are under five, as well as when they go to primary school.

I have a couple of concerns, which I flagged up with the Deputy Prime Minister and this morning in the Department with my hon. Friend the Member for Thornbury and Yate and Lord Freud. As I pointed out in an intervention on the hon. Member for Aberdeen South, I want the Department to look again at future legislation relating to the 10% automatic cut in jobseeker's allowance after one year of unemployment. That decision is not sustainable for some people. I understand the incentive argument, but there are some areas—they may be very different from my constituency—where there are few jobs and people have to travel a long way to find them. There are no opportunities, however hard people try. To say that there should be a reduction in the benefit seems harsh, and I hope that the Government will revisit that.

I shall make one other substantive point before leaving the Minister with a final thought or two. There may be a moment for another colleague to intervene. For me, the real issue of the moment is the housing benefit debate. I am conscious that coming down the track are regulations that will change housing benefit for next year. I shall concentrate on one of the proposals, in respect of which I hope that there is some scope for modification without breaking the superstructure of the plan and which is of more national, UK-wide significance than the capping issue. That is of more significance in central London, where of course I have an interest. I am referring to the proposal to reduce the housing benefit payment from the 50th percentile of the rents in the broad rental market area to the 30th percentile next year.

I hope that the Government will reconsider the proposal, because there are all sorts of reasons why it may not deliver the ability for people to find housing in the community they come from, and communities are important. As

the hon. Member for North East Hertfordshire knows, there are communities just as much in Southwark, Westminster, Chelsea and Hounslow as there are in any other part of the country. To expect someone to move from a place that they are renting—I could cite West square, just over the bridge in Southwark, or it could be Covent Garden—and where they have lived all their life to somewhere four boroughs away, where they have no relatives, no friends, no links, no community and no history, is unreasonable.

I understand some of the issues, but there are ways in which the Government could be positive in dealing with them. As I understand it, 70% of the housing benefit claims in Blackpool are in the private sector, so by definition if the level is lowered, that has a huge effect on the market. Of course there is a difference between a place such as Blackpool and a place at the bottom of the league table such as Southwark, which is 31st out of the 33 London authorities and where only 13% of housing benefit claims are in the private sector. There, a Government change does not automatically change the culture of landlords and the market. I hope that the Government will bear that in mind.

Where demand exceeds supply, by definition there will not be available supply in a place around the corner for someone to move to. In addition, there are people whom we should not be asking to move when there are significant reductions in their benefits. I have seen the figures in the Government's own impact study, which they produced in July. It states that the estimated percentage of losers varies from 71% in London to 90% in Yorkshire and the Humber, and the average loss per loser varies from £7 a week at the bottom end to £17 a week in the London region. Those are significant changes. Suddenly to have to find £17 extra a week in London, for example, may just not be possible, however careful people are with their household budget.

My suggestion is that the Government should consider, first, phasing any change, rather than going from the 50th percentile to the 30th. I know that it is not happening on one day, because it happens over a year on the date of the anniversary of the renewal of the claim. Secondly, they could consider treating people who are already in housing and recipients of benefit differently from new claimants. I am happy to continue to engage in debate with Ministers, as are other colleagues, to try to find a way forward. I am trying to be non-partisan; I am not making party political points, but I think that there must be a new way of being able to deal with what is an impending problem.

There are concerns among colleagues from around the country about the age for the shared room rate being put up from 25 to 35 in areas where accommodation is very difficult to find. I just pass that on, so that it can be on the agenda. There are also concerns about the transfer of council tax benefit administration to local authorities in due course, with a reduction in the amount available. That will be on the agenda of the Minister and her colleagues and the Department for Communities and Local Government.

The one thing we need to do as we implement some very radical but very good policies is to ensure that as people may be losing jobs in the public sector for a while and we are trying to create jobs in the private sector, we have in place organisations and people to assist them in moving from one form of employment to another in a very organised local and regional way. I have started to talk to colleagues about that. There is willingness on the part of the Government to consider it. If we are really to ensure that people do not feel frightened and insecure but feel encouraged and supported, we need not just changes in structure, but support systems to help people to make the life transitions from one form of work to another, or from no work to work, which are very important.

Mr Heald: On the idea of phasing, is the hon. Gentleman thinking that we would go to the 40th percentile? What is his idea?

Simon Hughes: I am seeking to explore ideas. It may be possible to move in the first place to the 40th percentile and later to the 30th. I am conscious that we do not want to force people to move twice. I do not think that would happen if there were much smaller reductions in the benefit and therefore people's budgets were less hugely affected. I do not pretend that there is only one answer, but I am keen that we ensure that we are not uprooting people and assuming that they can find somewhere. This is all about predictive markets and how the market will respond. It is very difficult to know what the outcomes will be. Whatever the experts say, I do not think that we can predict things with surety. Therefore we need to err on the side of caution rather than risk, because we are dealing with people's lives and homes, and for people with insecure lives and insecure incomes, having secure homes is very important.

4.56 pm

Margaret Curran (Glasgow East) (Lab): Like the hon. Member for Stroud (Neil Carmichael), I am a new Member and might struggle with constituency names, so any help will be gratefully received—please feel free to help me out.

I congratulate the Backbench Business Committee on securing this terribly important debate about the impact of the comprehensive spending review on the Department for Work and Pensions. Of course, the changes announced will shape the levels of poverty and employment in this country for years to come and it is right that we have the opportunity today to examine them in detail and to understand the impact that they will have on our welfare system and, as has been said, on communities throughout the country.

This has been an interesting debate and later I will rise to the challenge of some of the political temptations put before me, but first I want to say that welfare reform and the work undertaken in this area in the DWP has been centre-stage in the work of the new Government, so the debate on how we reform welfare and get more people into work will continue for the immediate and foreseeable future. I am sure that we shall have many discussions. Of course, that is as it should be, as the proposals announced so far will impact on the lives of so many people in great need. What may appear to be a technical point in our consideration represents in many cases a major shift in the living circumstances of a family or an individual. That should always be at the forefront of our minds and any of our discussions.

Whatever our disagreements—I will come to them—there are some starting points, as the hon. Member for Stroud said, on which we can agree. On behalf of the Opposition,

[Margaret Curran]

I make that clear. It has been said before that we are prepared to work alongside the Government to consider the challenge of welfare reform, because we do need to reform the welfare state to face the challenges of the 21st century: an ageing population, more people in need of care and the need for a stronger work force, less dependent on benefits. As the hon. Member for Bermondsey and Old Southwark (Simon Hughes) said, if we could create a more equal society, of course we would all be up for that.

The Secretary of State has made strong commitments and promised to deliver a welfare system that will make work pay. He has acknowledged, in doing so, that he is continuing the work of the previous, Labour Government—some hon. Members referred to that—particularly by moving people from incapacity benefit to the new employment and support allowance, but there have been many other dimensions to that, too. As I understand it, there is a history of our working together when we have recognised challenges in the past. I think that the previous Government worked closely with the Opposition on pensions reform. I hope we can build on that.

The Secretary of State is familiar with Easterhouse, in my constituency. I think that visits to that area persuaded him of the need for reform. He is on record as saying that his aim in the reform is to improve the lives of others and not to reduce standards of living—that test will be centre stage as we progress with our discussions.

I pay tribute to my hon. Friend the Member for Aberdeen South (Miss Begg), the distinguished Chair of the Select Committee. I have known my hon. Friend for many years and pay tribute to her authority in this field and the respect that she commands. In her contribution, she gave a strategic outline of some of the challenges that we are facing. Unfortunately, I cannot cover all the points made in the debate, but I will refer to a few of them in my brief contribution.

One point highlighted by my hon. Friend was the depth of concern about the change in the rating, which will take place when we shift from RPI to CPI. I listened to the arguments in favour, but it is incumbent on us to understand the real impact that the change will have on the standards of living of the people that we seem to care most about. I am not terribly sure that the impact is appreciated yet, but the shift does not rest easily with a commitment to let no one's living standards change as a result of the acts of the Government and to protect everyone. If we look at the evidence from a number of organisations, they would say, "Actually, this reflects an effective and a real cut in benefits."

Not surprisingly, the universal credit has been mentioned by just about everyone contributing to the debate—my hon. Friend the Member for Stretford and Urmston (Kate Green) made some telling reflections. It is important that we recognise that of course there is a move to support universal credit and to simplify the benefits system, and we would support anything possible that would make work pay and encourage and incentivise people to work. However, the theme that seems to be emerging in the debate is that, while the Government genuinely seem to be driving reform in that way—I have to say that of the Minister and her colleagues—that is undercut by their other actions. I ask the Government to think about that seriously.

The hon. Member for Bermondsey and Old Southwark mentioned the changes in the council tax benefit—apart from reducing it by 10%, which alone could cause some difficulty, the very nature of devolving its decision making immediately cuts across the drive to simplicity. The change will have an impact on housing benefit, income support and jobseeker's allowance. I am told by those involved that it is, by all definitions, very complicated—on the one hand, we have a drive to simplicity, on the other an action that complicates it.

Not surprisingly, housing benefit has concentrated a lot of minds this afternoon. There are many detailed discussions to be had. My hon. Friend the Member for Stretford and Urmston, with a notable and highly acclaimed record on child poverty, as she amply demonstrated this afternoon, spoke about some of those complications, as did my hon. Friend the Member for Plymouth, Moor View (Alison Seabeck), when she was present.

We can have our debates about the impact on different parts of the country—I willingly acknowledge that the impact might be slightly different in my part of the country from what it would be in London—but we have to listen to the outside organisations, such as Shelter and Crisis, which are telling us that we need to think about it in great depth. Perhaps most tellingly, they are asking, "Do we need to rush at this?" There might be a principle that we need to discuss and grapple with, but let us not do it with undue haste—there might be implications that the Government do not intend. Thinking about that is important.

I wish to highlight one issue that has particular resonance for me and my constituency, to which reference has been made—the intention to reduce housing benefit by 10% for those on jobseeker's allowance for more than one year. The Government need to acknowledge that this is one of the most contentious proposals, and one that is causing deep concern throughout the country.

Anyone with a knowledge of Easterhouse or an understanding of the regeneration within such communities will realise that housing associations are often the drivers of change. If we reduce the benefit for many people who, genuinely, cannot find work because it is not readily available, we give the housing agencies two choices—to give just one example of the problems with the proposal. Either the housing agencies can evict people, which would cause enormous difficulties and create cost in other ways, or their business plans are undercut because they cannot reap the necessary benefits, so undermining our efforts.

That illustrates, again, that what I think are genuine attempts by the Government to reform welfare are being undercut by other actions—actions by the Treasury, undercutting actions by the DWP.

I do not have much time to go into the reform of disability benefits, but I make one request of the Minister. She has indicated that she will work with disability organisations on the disability living allowance and other changes. Will she acknowledge that it is vital that we engage with the disability movement in tackling any such changes?

I want to refer to child poverty, which was mentioned by a number of hon. Members in the debate. I am so tempted to roll up my sleeves and fight for the record of the previous Labour Government, but we could continue like that for some time. Let me just say that,

according to the statistics and briefings mentioned, from Barnardo's and Save the Children, the Labour Government lifted 600,000 children out of relative poverty and made substantial progress on absolute poverty. Those organisations recognised that as a substantial achievement, which made significant progress in improving the lives of so many people.

There are real challenges in what the Government are doing across the board to tackle child poverty—that was well articulated in the debate—in particular when looking at the child care element of the working tax credit, which will now only cover 70% of child care costs rather than the previous 80%. We know that child care presents an important barrier to people returning to work, so the change again seems to contradict efforts to reform and improve the move to get people back to work.

The Institute for Fiscal Studies report, produced after the Budget, outlined how many of the measures disproportionately affected the poorest families. A number of organisations are now saying to the Government, "When you look at the impact you are having on the poorest families and at the timing of when some of your commitments will come through, particularly two, three or four years down the line, how can you possibly say that child poverty figures will be protected?"

Added to that is recent research by the House of Commons Library on the impact of the Budget on women—to which, again, reference has been made. The fact is that the cuts announced in the comprehensive spending review will hit women twice as hard as they hit men. There are big cuts in support paid directly to mothers, including cuts in child care, child benefit and tax credits. Also, the significant cuts to the public sector will, disproportionately, hit women hard—in employment and in the services they need to support families, which are vital in tackling poverty. There is much concern about that.

The Minister has already put on the record that her Department will issue an equality impact assessment of the cuts on women and, indeed, disabled people. Can she indicate when we might get that report?

That brings me to the fundamental concern about the Government's approach. Not only will they undermine their own efforts to reform welfare, but they will destabilise growth and increase unemployment across the country. The extent of the cuts to the welfare budget announced in the June Budget and in last month's CSR seems to reflect the political ambitions of the Chancellor rather more than those of the Secretary of State for Work and Pensions. In both those announcements, we have heard too much about cuts and not enough about reform—I acknowledge that reform was the tenor of the debate today, but it is not always like that with the Government.

I have said that we will work with the Government as they intend to progress with reform, but there is a fundamental flaw in their approach so far. Their welfare reform is based on the premise that it is best to get people back to work and that work pays—so far, so good. However, it falls down with what happens when there is no work to go to.

It cannot make sense to have people on the dole. We all know that longer dole queues mean a higher benefits bill, which cuts across the very principles of what the Government are doing. So, the Government are only continuing in part what we were doing. There are significant differences. Yes, we introduced conditionality, but the sanctions were backed up by guarantees, the youth guarantee and the future jobs fund. Yet one of the first actions of the Government in power was to abolish them. That is a colossal error for anyone committed to welfare reform. As I said earlier, it would appear that the Secretary of State is persuaded of the case for meaningful reform. However, it seems that he has not persuaded his Cabinet colleagues that such reform needs to be supported more systematically.

We were told earlier this afternoon—I am sure that I shall be told again in a moment—that the level of unemployment is unavoidable, and that what is happening in the economy is the result of our actions. Like my hon. Friend the Member for Aberdeen South, I am old enough to remember the last Tory Government. They said then that unemployment was unavoidable, but they were wrong then and I believe that they are wrong now.

For the record, between 2007 and 2009, and before the global crisis, the UK had the second lowest level of debt among the G7 countries at 36.5%. Labour reduced the debt that we inherited from the previous Tory Government, when it stood at 42.5%. It was the global economic crisis of 2008 and the resultant need to bail out the banks that caused the deficit that we have today.

Damian Hinds: Does the hon. Lady accept the existence of a structural deficit, quite separate from the cyclical part, and will she accept some responsibility on behalf of her party for that?

Margaret Curran: When looking back at the Budgets of Labour Governments, the hon. Gentleman's own Prime Minister said that we were not bold enough with our spending plans. The hon. Gentleman cannot get away with his argument, and I hope not to hear it again. It was a global crisis that created the problems that we faced, and we had to respond to it.

Damian Hinds: Will the hon. Lady give way?

Margaret Curran: No. I hope that the Minister does not repeat that argument, because in tackling the crisis we decided not to do what had been done during previous recessions, when the unemployed paid the price. We kept people in their homes and in jobs. That was the right thing to do. If we were still in Government, we would not be making our children and our families pay more than we would make the banks pay. Even the Government's own Office for Budget Responsibility declares that there will be substantial job losses as a direct result of the Government's decision to slash the deficit as quickly and as steeply as they can. I repeat—this goes to the core of what we are trying to tackle—that we all know that high unemployment will mean a higher welfare bill and a bigger deficit in the long run, and will defeat genuine and well-meant efforts at reform.

I am sure that the debate may change emphasis with the publication of the White Paper. However, the benchmarks of fairness, proportionality and effectiveness in getting people back to work will be the test that we use. When the Government meet that test, we will happily work with them.

5.12 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): It is a great pleasure to serve under your chairmanship, Mr Turner; it is the first time that I have done so, and you helped to ensure a most productive debate. I also thank the hon. Member for Colchester (Bob Russell), who is absent, and the hon. Member for Stretford and Urmston (Kate Green), for enabling the debate to take place.

The quality of debate showed how important these matters are, and how important it is for them to be discussed. To a certain extent, it has allowed us to put some facts on the table. With the exception of the most economically illiterate, or a few ostriches that might still exist, few serious commentators doubt the urgent need to tackle the financial mess left by the previous Administration.

I have a slight divergence of opinion with the hon. Member for Glasgow East (Margaret Curran), who spoke for the Opposition. She cannot ignore the fact that we are dealing with a major structural deficit, and unless we get that under control, we will continue to have to pay the most astronomical levels of interest and run the risk of seeing rates rise and the consequent economic chaos that we have seen in some European countries.

We should not forget that we are paying £43 billion in interest payments; that is £120 million a day. To put it another way, it is the equivalent of the annual budget for the Department for Education. These are not small amounts of money. It is a structural problem. We have to deal with the fiscal mess that we inherited from the previous Government. After years of throwing public money at a bloated welfare system, the previous Administration also left us with a legacy of dependency, which was mentioned in many contributions to the debate.

The facts tell their own story. Nearly 5 million people live in households in which someone is on an out-of-work benefit, despite record levels of spending; it was £35 billion in 2008-09. We still have 2.8 million children living in poverty.

Kate Green: Will the Minister give way?

Maria Miller: I cannot accept interventions, Mr Turner, as we are short of time and I know that you want a short wind-up at the end of the debate. I want as much time as possible to answer the points raised during the debate, including by the hon. Member for Stretford and Urmston.

We still have 1.9 million children living in workless households. Instead of burying our heads in the sand, which has been the approach of too many Opposition Members, and potentially leaving our children to pick up the bill—that is the legacy of this huge debt—the Government are taking action now, and making tough choices. We are tackling the root causes of poverty, not just treating the symptoms.

The failure of the last Government is the reason why we need the toughest round of spending since 1976. Inevitably, the Department for Work and Pensions will have to shoulder its share of the burden, along with other Departments. I believe that we successfully secured the third best settlement in Whitehall. As a result the Department will see a modest rise in spending in real terms, although we do not underestimate the challenge that lies ahead.

The Government will not cheese-pare or salami-slice the budgets that we have in place; we are taking the opportunity to rethink not only what we do but how we do it. That is why we are introducing universal credit. It will beat the benefit trap, and it will make work pay for the poorest. We are launching the new Work programme to help those who can to escape a life on long-term benefit. That is why we are working hard to support families, especially children, with an above-indexation increase for the child element of tax credits; launching the £7 billion fairness premium, which will give some of the poorest children a better start at school; and giving most disadvantaged two-year-olds access to 15 hours a week of pre-school education. Those and many other support measures will make a real difference to families and to poverty levels.

In my role as Minister for disabled people, I shall ensure that we have in place more support than ever for disabled people to help them get back into employment, and continuing, unconditional support for those who are unable to work.

Many important points were made this afternoon, and I shall try to answer them all. Those that I am unable to answer today I shall answer in writing; I shall write to hon. Members individually.

I welcome the tone of the contribution of the hon. Member for Glasgow East; it was important, and I welcome her emphasis on working together and her understanding of our desire to put in place real and genuine reforms. I reassure her that we are working closely with disabled people and disabled people's charities in reforming those programmes. The hon. Lady mentioned equality impact assessments. I assure her that all the measures in the Budget and the spending review will have equality impact assessments in place; they will be published at the same time as the welfare reform Bill, and will accompany any uprating order.

Thoughtful contributions were made by my hon. Friends the Members for East Hampshire (Damian Hinds) and for Bermondsey and Old Southwark (Simon Hughes). They included comments about housing. I might roll together my responses, given the time constraint. Changes to do with people's homes will obviously cause a great deal of concern.

My hon. Friend the Member for Bermondsey and Old Southwark rightly said that it is about ensuring that we have secure and stable communities. We believe that the local housing rates in place at the moment are simply too high, and not sustainable. We have seen them outstrip earnings since local housing measures were put in place in 2008, and we want to phase in the overall package of measures to give people the time to adjust to a different regime and a different way of dealing with matters. However, we still need to legislate for the changes through secondary legislation, so there will be an opportunity to debate the measures further. Indeed, I am sure that we shall do so.

What is important is that the Government have an important role in the private rental sector. Some 40% of people in that sector are in receipt of housing benefits, so we are part of the market-making, and we must recognise that. We cannot stand back and let the market

control the sector, as the Opposition did when they were in government. We must take action and, at the same time, protect the sort of people in the constituency of my hon. Friend the Member for Nuneaton (Mr Jones) who he mentioned. That is why we have put in place £140 million transitional relief to ensure that the support is there if it is needed. That problem was anticipated by the previous Government and it was in Labour's manifesto. I find it astonishing that Labour—at least some Members of its Back Bench—now seem to be trying to row back from that. I sense that the hon. Member for Glasgow East has a deeper understanding of the need for reform in this area, and I hope that we can work together on this matter.

My other hon. Friends made some stirring contributions, particularly my hon. Friend the Member for Gloucester (Richard Graham), and I welcome his support for the Government's policy. He is right to say that this is a radical and ambitious new approach. We cannot simply stand back and let the welfare system continue to fail so many thousands of people, as it has done for the past 10 years.

My hon. Friend the Member for Brentford and Isleworth (Mary Macleod) talked eloquently about the work that is going on in her constituency. Helping people fulfil their potential is exactly what we want to do with the Work programme. People are not statistics; they are individuals and need individual programmes of support. Her idea of encouraging local organisations to be involved in such work is absolutely right.

All hon. Members will agree that my hon. Friend the Member for North East Hertfordshire (Mr Heald) made an extremely important contribution. As for the timing of universal credit, we will have a White Paper coming out shortly, and the transition to universal credit will start in 18 months' time. Such a move will happen soon and not way into the future. Some 50% of people will be transferred on to universal credit by the end of the spending review period. We will give priority to the people who need the help the most and ensure that there will be no losers when the transfer takes place, which reflects the importance of making this change.

My hon. Friend is right to say that in the past, employment programmes have been fragmented. We will use Jobcentre Plus as a lynchpin to ensure that we smooth out the transition process between old programmes and the new Work programme.

My hon. Friend the Member for Stroud (Neil Carmichael) provided us with a great insight into the matter today, particularly by raising the issue of the Harrington report. He made it clear that there will be annual reviews of the work capability assessment for the next five years.

Let me clear up the point about the appeals processes. The ESA has a 5% appeal rate, so 5% of the total number of applications have had their decision overturned on appeal. That is not a massive problem and it does not indicate that there is an unacceptable level of inaccuracy, so we must keep such things in proportion. Of course all of us want to see a 0% appeal rate, but that would be difficult to achieve.

My hon. Friend the Member for Nuneaton was very much the voice of reason in this debate. I cannot agree with him more that it did feel like we were inheriting an economic car crash when we came into Government in May. He talked about those who spend prolonged periods on benefits, the negative effect that that can have and inter-generational worklessness.

Picking up on the point about variable conditions, let me say that that is exactly the sort of thing that Professor Harrington will be considering, and concern over the matter has been voiced to us.

The Chairman of the Select Committee raised a number of points today. I am sure that I will not do justice to the questions that she asked, but I will have a quick go in the two minutes that I have left. We have made the changes to the council tax because the present system is complex, and it has rigid rules in place. The changes that we have proposed are in line with the overall theme of this Government, which is of localism and of giving local people more flexibility to react to the circumstances in their community. It is that local flexibility that will help us to deliver more value for the amount of money that we are investing in measures such as the council tax and council tax relief.

The hon. Lady asked why we are raising housing benefits by the consumer prices index. Let me remind her that housing awards have grown faster than earnings since 2008 when the new measures were introduced to support those on private rentals. We want to take control of the amount of money that is going into housing benefits, which is in line with out strategy to integrate housing support with the rest of the benefit system that will also be uprated by CPI.

The hon. Lady raised some issues about care homes. In particular, she mentioned the measure that we are taking with regards to mobility. Just to be clear, local authority contracts with care homes mean that care homes are providing services to meet all the needs of their residents, and that includes those with mobility needs. Our commitment to increase the uptake of personal benefits through personalisation will give people more choice and more control over the money that is available to them. The local authority duty exists to meet the needs of people who are living in residential hōmes and to provide the services. We have removed an overlapping benefit and tried to ensure that the money can be used effectively elsewhere.

The hon. Lady also raised another matter with regard to lone parents, but time will escape me, so I will have to write to her on that. The hon. Member for Streatham (Mr Umunna) asked about the success of the future jobs fund. I want to make it clear that that fund is one of the most expensive employment programmes in place at the moment. We have honoured the offers of places on the future jobs fund that were made before we came into Government, but it is not good value for money and it does not provide the long-term employment that we know that people need. That is why we are not rolling that forward, and it is a really good and valid reason for not doing so.

The hon. Member for Stretford and Urmston raised a number of issues, but I will pick up on just one of them—the benefit cap. I do not accept that such a measure will increase child poverty. Putting in place a cap will effectively stop anybody receiving benefits that would translate into a salary of £35,000 a year. That will not increase child poverty. What it will do is ensure that work will pay for more families. We know that enabling families to get into work by, for example, not

[Maria Miller]

creating a disincentive is one of the most important things that we can do to alleviate poverty in the long term.

I draw to a close now, and apologise if I have not addressed all the points that hon. Members have raised. I will try to do so later.

5.28 pm

Miss Begg: Let me thank the Backbench Business Committee. I have sat in your seat, Mr Turner, on many Thursday afternoons with only three people in the Chamber. Today, however, we have had many contributions from a large number of people, which reflects the importance of this excellent debate. The subject transcends party politics, because the issues discussed today will affect thousands and thousands of our own constituents. I hope that the Government see those of us on the Opposition Benches as critical friends. We want the Government to get this right because it is our constituents who will suffer if they do not. I hope that this debate has been constructive and helpful.

There has been a problem with housing benefit. The debate was skewed by concentrating on the cap. Serious concerns were raised about the 30th percentile and the JSA sanction. I hope that the Minister understands that transitional arrangements will be required on a range of issues. I refer in particular to those issues on which the new Government's policy is not yet in place and those policies introduced under the previous Government that have already stopped. There is a clear need for transitional arrangements.

All in all, this has been an excellent debate. I look forward to the White Paper, which is to be published shortly. We may be back here having another debate on these issues in a couple of months' time. If today's debate is anything to go by, it will also be a good and well-humoured debate. I thank everyone who has turned up this afternoon.

Question put and agreed to.

5.29 pm

Sitting adjourned.